

43rd
National Convention
of
Company Secretaries

Make in India - Innovate, Excel and Grow

THEME PAPER

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THEME PAPER

MAKE IN INDIA - INNOVATE, EXCEL AND GROW

INTRODUCTION

The theme of the 43rd National Convention, has been designed to deliberate on assessment and calculation of smart risks, find innovative and exciting ways to operate and deliver professional services to the market and by doing so help set a path to growth and development of the country.

In order to set the tone for the convention and enable the participants to make the most out of this event, this theme paper has been divided into four parts namely,

Part A - Make in India;

Part B - Digital India;

Part C - Skill Development and Entrepreneurship; and

Part D - Ease of Doing Business.

PART A : MAKE IN INDIA

From Automobiles to Agro-products. From Hardware to Software. From Satellites to Submarines. From Televisions to Telecom. From Pharma to Biotech. From Paper to Power Plants. From Roads to Bridges. From Houses to Smart Cities. From Friendship to Partnership. From Profit to Progress. Whatever you want to make: Make in India.

Foreign Direct Investment

India has already marked its presence as one of the fastest growing economies of the world. It has been ranked among the top 3 attractive destinations for inbound investments. Since 1991, the regulatory environment in terms of foreign investment has been consistently eased to make it investor-friendly.

Recent policy measures are summarized below:

- Government eases FDI norms in 15 major sectors.
- Townships, shopping complexes & business centers – all allow up to 100% FDI under the auto route. Conditions on minimum capitalization & floor area restrictions have now been removed for the construction development sector.

- India's defense sector now allows consolidated FDI up to 49% under the automatic route. FDI beyond 49% will now be considered by the Foreign Investment Promotion Board. Government approval route will be required only when FDI results in a change of ownership pattern.
- Private sector banks now allow consolidated FDI up to 74%.
- Up to 100% FDI is now allowed in coffee/rubber/cardamom/palm oil & olive oil plantations via the automatic route.
- 100% FDI is now allowed via the auto route in duty free shops located and operated in the customs bonded areas.
- Manufacturers can now sell their products through wholesale and/or retail, including through e-commerce without Government Approval.
- Foreign Equity caps have now been increased for establishment & operation of satellites, credit information companies, non-scheduled air transport & ground handling services from 74% to 100%.
- 100% FDI is allowed in medical devices.
- FDI cap increased in insurance & sub-activities from 26% to 49%.
- FDI up to 49% has been permitted in the Pension Sector.
- Construction, operation and maintenance of specified activities of Railway sector opened 100% foreign direct investment under automatic route.
- FDI policy on Construction Development sector has been liberalised by relaxing the norms pertaining to minimum area, minimum capitalisation and repatriation of funds or exit from the project. To encourage investment in affordable housing, projects committing 30 percent of the total project cost for low cost affordable housing have been exempted from minimum area and capitalisation norms.
- Investment by NRIs under Schedule 4 of FEMA (Transfer or Issue of Security by Persons Resident Outside India) Regulations will be deemed to be domestic investment at par with the investment made by residents.
- Composite caps on foreign investments introduced to bring uniformity and simplicity is brought across the sectors in FDI policy.
- 100% FDI allowed in White Label ATM Operations.

SECTORS WHERE FOREIGN DIRECT INVESTMENT IS PROHIBITED

- Lottery Business including Government /private lottery, online lotteries, etc.
 - Gambling and Betting including casinos etc.
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- Chit funds
 - Nidhi company-(borrowing from members and lending to members only).
 - Trading in Transferable Development Rights (TDRs)
 - Real Estate Business (other than construction development) or Construction of Farm Houses
 - Manufacturing of Cigars, cheroots, cigarillos and cigarettes, of tobacco or of tobacco substitutes
 - Activities / sectors not open to private sector investment e.g. Atomic Energy and Railway Transport, other than construction, operation and maintenance of :-
 - (i) Suburban corridor projects through PPP,
 - (ii) High speed train projects,
 - (iii) Dedicated freight lines,
 - (iv) Rolling stock including train sets, and locomotives/coaches manufacturing and maintenance facilities,
 - (v) Railway Electrification,
 - (vi) Signaling systems,
 - (vii) Freight terminals,
 - (viii) Passenger terminals,
 - (ix) Infrastructure in industrial park pertaining to railway line/sidings including electrified railway lines and connectivity's to main railway line and
 - (x) Mass Rapid Transport Systems.
 - Services like legal, book keeping, accounting & auditing.

SECTORS WITH CAPS

- Petroleum Refining by PSU (49%).
- Teleports (setting up of up-linking HUBs/Teleports), Direct to Home (DTH), Cable Networks (Multi-system operators (MSOs) operating at national, state or district level and undertaking up-gradation of networks towards digitalization and addressability), Mobile TV and Headend-in-the-Sky Broadcasting Service (HITS) – (74%).
- Cable Networks (49%).
- Broadcasting content services- FM Radio (26%), uplinking of news and current affairs TV channels (26%).
- Print Media dealing with news and current affairs (26%).

- Air transport services- scheduled air transport (49%), non-scheduled air transport (74%).
- Ground handling services – Civil Aviation (74%).
- Satellites- establishment and operation (74%).
- Private security agencies (49%).
- Private Sector Banking- Except branches or wholly owned subsidiaries (74%).
- Public Sector Banking (20%).
- Commodity exchanges (49%).
- Credit information companies (74%).
- Infrastructure companies in securities market (49%).
- Insurance and sub-activities (49%).
- Power exchanges (49%).
- Defense (49% above 49% to CCS).
- Pension Sector (49%)

SECTORS REQUIRING CENTRAL GOVERNMENT APPROVAL

- Tea sector, including plantations – 100%.
 - Mining and mineral separation of titanium-bearing minerals and ores, its value addition and integrated activities -100%.
 - FDI in enterprise manufacturing items reserved for small scale sector – 100%.
 - Defense – up to 49% under FIPB/CCEA approval, beyond – 49% under CCS approval (on a case-to-case basis, wherever it is likely to result in access to modern and state-of-the-art technology in the country).
 - Teleports (setting up of up-linking HUBs/Teleports), Direct to Home (DTH), Cable Networks (Multi-system operators operating at National or State or District level and undertaking upgradation of networks towards digitalisation and addressability), Mobile TV and Headend-in-the Sky Broadcasting Service(HITS) – beyond 49% and up to 74%.
 - Broadcasting Content Services: uplinking of news and current affairs channels – 26%, uplinking of non-news and current affairs TV channels – 100%.
 - Publishing/printing of scientific and technical magazines/specialty journals/periodicals – 100%.
 - Print media: publishing of newspaper and periodicals dealing with news and current affairs- 26%, Publication of Indian editions of foreign magazines dealing with news and current affairs- 26%.
 - Terrestrial Broadcasting FM (FM Radio) – 26%.
 - Publication of facsimile edition of foreign newspaper – 100%.
 - Airports – brownfield – beyond 74%.
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- Non-scheduled air transport service – beyond 49% and up to 74%.
 - Ground-handling services – beyond 49% and up to 74%.
 - Satellites – establishment and operation - 74%.
 - Private securities agencies – 49%.
 - Telecom-beyond 49%.
 - Single brand retail – beyond 49%.
 - Asset reconstruction company – beyond 49% and up to 100%.
 - Banking private sector (other than WOS/Branches) – beyond 49% and up to 74%, public sector – 20%.
 - Insurance - beyond 26% and up to 49%.
 - Pension Sector - beyond 26% and up to 49%.
 - Pharmaceuticals – brownfield – 100%.

SECTORS UNDER AUTOMATIC ROUTE

- All the items other than above are under the automatic route.

REPATRIATION

DIVIDEND

- Dividends are freely repatriable without any restrictions (net after tax deduction at source or Dividend Distribution Tax).

CAPITAL

- AD Category-I bank can allow the remittance of sale proceeds of a security (net of applicable taxes) to the seller of shares resident outside India, provided the security has been held on repatriation basis, the sale of security has been made in accordance with the prescribed guidelines and NOC / tax clearance certificate from the Income Tax Department has been produced.
- Investments are subject to lock-in period of 3 years in case of construction development sector.

INTEREST

- Interest on fully, mandatorily & compulsorily convertible debentures is also freely repatriable without any restrictions (net of applicable taxes).

DIRECT TAXES

- The investor is required to pay tax on net income earned in India. The rates of taxes differ among structures.

COMPANY

- The company incorporated in India is required to pay 30% tax + surcharge + education

cess on net income earned. It is also required to deduct tax on profits distributed @15.5%+surcharge+education cess.

BRANCH OFFICE / PROJECT OFFICE / LIAISON OFFICE OR PERMANENT ESTABLISHMENT:

- The fixed place of business in India is treated as a permanent establishment and is required to pay tax @40%+surcharge+ education cess. There is no tax on profits distributed.

LLPS

- LLPs are required to pay tax @30%+surcharge+ education cess. There is no tax on profits distributed.

MINIMUM ALTERNATE TAX

- 18.5%+SC+EC- Indian tax law requires MAT to be paid by corporations in cases where the tax payable according to the regular tax provisions is less than 18.5% of their book profits. However MAT credit (MAT-actual tax) can be carried forward in next 10 years for set-off against regular tax payable during the subsequent years subject to certain conditions.

CENTRAL GOVERNMENT INCENTIVES

- Investment allowance (additional depreciation) at the rate of 15 percent to manufacturing companies that invest more than INR 1 billion in plant and machinery available till to 31.3.2015.
- Incentives available to unit's set-up in SEZ, NIMZ etc. and EOUs.
- Exports incentives like duty drawback, duty exemption/remission schemes, focus products & market schemes etc.
- Areas based incentives like unit set-up in north east region, Jammu & Kashmir, Himachal Pradesh, Uttarakhand.
- Sector specific incentives like M-SIPS in electronics.

STATE GOVERNMENT INCENTIVES

- Each state government has its own incentive policy, which offers various types of incentives based on the amount of investments, project location, employment generation, etc. The incentives differ from state to state and are generally laid down in each state's industrial policy.
- The broad categories of state incentives include: stamp duty exemption for land acquisition, refund or exemption of value added tax, exemption from payment of electricity duty etc.

INTELLECTUAL PROPERTY FACTS

- The Indian government has taken several initiatives to create a conducive environment
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for the protection of intellectual property rights of innovators and creators by bringing about changes at legislative and policy level.

- In addition, specific focus has been placed on improved service delivery by upgrading infrastructure, building capacity and using state-of-the-art technology in the functioning of intellectual property offices in the country. This measure has resulted in sweeping changes in IP administration within the country.

AIMS

- Establishing a vibrant IP regime in the country.
- Efficient processing of IP applications by inducting additional manpower, augment IT facilities and automation in Intellectual Property Offices.
- Adopt best practices in IP processing.
- Strengthening public delivery of IP services.
- Highest levels of transparency and user-friendliness.

STRENGTHS OF THE INDIAN IPR REGIME

- The IPR framework in India is stable and well established from a legal, judicial and administrative point of view and is fully compliant with the Agreement on Trade-Related Aspects of Intellectual Property Rights.
- India is committed to wide range of international treaties and conventions relating to intellectual property rights.
- Wide range of awareness programmes are being conducted by the Government
- During the last few years, Indian IP offices have undergone major improvements in terms of upgradation of IP legislation, infrastructure facilities, human resources, the processing of IP applications, computerization, databases, quality services to stakeholders, transparency in functioning and free access to IP-data through a dynamic website.
- State of the art, integrated and IT- enabled office buildings have been created during the last few years in New Delhi, Kolkata, Chennai and Mumbai and Ahmedabad, housing central wings for Patents and Designs and Trademarks and Geographical Indications. The Patent Office is headquartered at Kolkata with branches at New Delhi, Chennai and Mumbai. The Trade Mark Registry, headquartered at Mumbai has branches in Ahmedabad, Chennai, New Delhi and Kolkata. The Design Office is located in Kolkata and the GI Registry is at Chennai. Separate facilities house the ISA/IPEA in New Delhi and additionally, there is an Intellectual Property Office Archives is at Ahmedabad.
- Simplified procedure for filing, E-filing facilities and incentives for SMEs are some of the other initiatives in the area of intellectual property rights in India.

TYPES OF IPR IN INDIA

PATENT

Definition and significance

- A patent is granted for an invention which is a new product or process, that meets conditions of novelty, non-obviousness and industrial use. Inventive step is the feature(s) of the invention that involves technical advance as compared to existing knowledge and that makes the invention not obvious to a person skilled in the art. Industrial use means that the invention is capable of being made or used in an industry.

Ministry administering the IPR

- Department of Industrial Policy and Promotion,
- Ministry of Commerce & Industry

Concerned IP Act

- The Patents Act, 1970 (as amended in 2005)

DESIGN

Definition and significance

- A design refers only to the features of shape, configuration, pattern, ornamentation, composition of colour or line or a combination thereof, applied to any article, whether two or three dimensional or in both forms by any industrial process or means which, in the finished article, appeal to and are judged solely by the eye.

Ministry administering the IPR

- Department of Industrial Policy and Promotion
- Ministry of Commerce & Industry

Concerned IP Act

- Designs Act, 2000

TRADE MARK

Definition and significance

- A Trade Mark can be a device, brand, heading, label ticket name, packaging, sign, word, letter, number, drawing, picture, emblem, colour or combination of colours, shape of goods, signature or a combination thereof.
 - A trademark means a mark capable of being represented graphically and which is capable of distinguishing the goods or services of one undertaking from those of other undertakings, shall be capable of constituting a trademark.
 - Ministry administering the IPR :
 - Department of Industrial Policy and Promotion
 - Ministry of Commerce & Industry
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— Concerned IP Act :

Trade Marks Act, 1999 (as amended in 2010)

GEOGRAPHICAL INDICATIONS

Definition and significance

A geographical indication identifies agricultural or natural or manufactured goods as originating or manufactured in the territory of a country or region or locality in that territory, where a given quality, reputation or other characteristic of such goods is essentially attributable to its geographical origin and in case where such goods are manufactured goods one of the activities of either. The production or of processing of preparation of the goods concerned takes place in such territory, region, or locality as the case may be.

Ministry administering the IPR

Department of Industrial Policy and Promotion

Ministry of Commerce & Industry

Concerned IP Act

The Geographical Indications of Goods (Registration & Protection) Act, 1999

COPYRIGHT

Definition and significance

Copyright is a right given by the law to creators of literary, dramatic, musical and artistic works and producers of cinematograph films and sound recordings. In fact, it is a bundle of rights including, *inter alia*, rights of reproduction, communication to the public, adaptation and translation of the work.

Ministry administering the IPR

Ministry of Human Resource Development

Concerned IP Act

The Copyright Act, 1957 (as amended)

PLANT VARIETY PROTECTION

Definition and significance

Protection granted for plant varieties, the rights of farmers and plant breeders and to encourage the development of new varieties of plants.

Ministry administering the IPR

— Department of Agriculture and Cooperation

— Ministry of Agriculture

Concerned IP Act

The Protection of Plant Varieties and Farmers' Rights (PPV&FR) Act, 2001

SEMICONDUCTOR INTEGRATED CIRCUITS LAYOUT-DESIGN***Definition and significance***

The aim of the Semiconductor Integrated Circuits Layout-Design Act, 2000 is to provide protection of Intellectual Property Right (IPR) in the area of Semiconductor Integrated Circuit Layout Designs and for matters connected therewith or incidental thereto.

Ministry administering the IPR

- Department of Electronics and Information Technology
- Ministry of Communications and Information Technology

Concerned IP Act

- Semiconductor Integrated Circuits Layout-Design Act, 2000

INTERNATIONAL AGREEMENTS

India is a member of the World Trade Organization and committed to the Agreement on Trade Related Aspects of Intellectual Property. India is also a member of World Intellectual Property Organization, a body responsible for the promotion of protection of intellectual property rights throughout the world. India is also a member of the following important WIPO-administered International Treaties and Conventions relating to IPRs:

- Budapest Treaty on the International Recognition of the Deposit of Micro-organisms for the Purposes of Patent Procedure
- Paris Convention for the Protection of Industrial Property
- Convention Establishing the World Intellectual Property Organization
- Berne Convention for the Protection of Literary and Artistic Works
- Patent Cooperation Treaty
- Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks- Madrid Protocol
- Washington Treaty on Intellectual Property in respect of Integrated Circuits
- Nairobi Treaty on the Protection of the Olympic Symbol
- Convention for the Protection of Producers of Phonograms Against Unauthorized Duplication of Their Phonograms

IP ADMINISTRATION IN INDIA**PATENTS**

- India has taken strong steps in strengthening the patent system in the country. The Government aims at establishing a patent regime that is conducive to technological advances and is in line with its global commitments.

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- Patent application filing at Indian Patent Office has been increasing consistently over the years which demonstrates the confidence of the global industry in the Indian patent ecosystem.
 - Filing and processing of patent applications *viz.*, examination, grant and post-grant proceedings are carried out at all the four Patent Office locations independently through a virtual network system which links all four Patent Offices; however, there is only one virtual Patent Office for the purpose of grant of patents. A patent is granted for a uniform period of 20 years from the filing date of the patent application for inventions in all fields of technology and it is a territorial right.
 - The Indian Patent Office has been recognized as an International Searching Authority and an International Preliminary Examining Authority (ISA/IPEA) by World Intellectual Property Organization in October, 2007 under the Patent Cooperation Treaty, and has operationalised the status since 15th October, 2013, thus joining an elite group of 17 countries.

IT ENABLED PROCESSING AND COMPUTERIZED WORK-FLOW:

- All the records are digitized and freely available through the official website, www.ipindia.nic.in. Every document received in the office is scanned and digitised before taking any action on the document and is made available through the official website to the public. The entire processing of patent applications is electronic and information relating to processing is made available on the website in real time, thereby providing valuable information to the applicants.

INSTANT ELECTRONIC COMMUNICATION WITH APPLICANTS:

- Consequent to filing of a document, instant e-mail is sent to the applicant at the mail IDs and numbers registered with the office. Such messages are QR coded to preserve their authenticity.

DYNAMIC INFORMATION

- Dynamic utilities are available on the website which provide useful real-time information such as issue of examination reports in a given month, disposal of applications, information about lapsed and ceased patents etc.
- The entire record in all matters, which are not prohibited from publication by the statute are made available to the public on the website. All the documents are digitized as soon as they are received in the Office to enable computerized processing of applications and are made available to the public in real time through the official website.
- The Patent Office has a strong pool of experts for processing of patent applications. At present it has strength of 192 Examiners and 89 Supervising Officers. Among them, 42 have Doctorate degree, 75 are Post-Graduates in different branches of science, 25 have Post-Graduate degree in Engineering and 139 have Degree in Engineering/Technology.

- For Patents, complete stock and flow information is available on the website.

INDUSTRIAL DESIGNS

- Every design to be registrable must pass the universal test of novelty. A registered design is valid for 10 years and can be further extended by another 5 years.

A design cannot be registered if it is not new or original or has been disclosed to the public in India or anywhere in the world by publication.

TRADE MARKS

- A trademark is used or proposed to be used to distinguish the goods or services of one person from those of others in the course of trade. Though the registration of trademark is not compulsory, registration is a *prima facie* proof of the title and it gives the registered proprietor an exclusive right to use the trademark and take legal action in case of infringement.
- If a trademark is not registered and if someone not having the right in the trademark uses that trademark, the proprietor of the trademark can take the common law action of passing off.
- The initial registration is valid for a period of 10 years which is renewable for an indefinite period of time.

India also acceded to the Madrid Protocol which allows applicants to file in other countries that are members of the Protocol through a simple form and by payment in one currency foreign applicants can also file indicating India as the designated country in forms. This also enables time-bound processing of Trade Marks applications.

MADRID PROTOCOL

- Indian office is receiving applications for protection of trademarks under the Madrid Protocol and making all correspondence relating thereto online through the gateway provided by this office, similarly all communications from the International Bureau regarding international applications or registration under the Madrid Protocol are made by Indian office through electronic means only.

AUTOMATED AND TRANSPARENT FUNCTIONING OF THE TRADE MARKS REGISTRY

- All the functions of the TMR are performed through a Trade Marks System (TMS). The Data Entry of all vital information relation to trademark application or a registered trademark has been done and all available paper records relating to trademark applications or registered trademarks have been digitised and these are linked with the relevant application or registered trademarks, in the system.

OTHER INFORMATION

- The IPO website contains separate Gateway for E- Filing of trademark applications and free online public search facilities for search of identical or similar trademarks.
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- Trade Mark E-Journal is published every Monday giving the details of accepted applications for registration of trademarks & other information.
 - Details of all trademark applications or registered trademarks, status of applications/ registered trademarks, public notices, copies of important office orders, circulars and other useful information are available on the website of the Office of the Controller General of Patents, Designs and Trade Marks. The complete stock and flow information is also available on the website.
 - Public can see on real time basis the details of examination of trademark applications, show cause hearings, publication in the trademark journal, registration of trademarks, disposal of applications by way of abandonment, refusal etc.

GEOGRAPHICAL INDICATIONS

- The Geographical Indications Registry is a statutory organization set up at Chennai for administration of the GI Act with the objective of providing registration and protection of geographical indications (GI) relating to goods.
- Applications for registration of Geographical Indications can also be filed by foreign entities for registration of their GI in India in accordance with the provisions of TRIPS.
- A Manual of Practice and Procedure is in place to ensure uniformity and consistency in practice.

FACILITIES OFFERED BY THE PATENTS OFFICE

FILING APPLICATIONS BY FOREIGN APPLICANTS CLAIMING PRIORITY

- India, being a member country to Paris the Convention and PCT, provides all the filing facilities as mandated under these arrangements to applicants for filing convention and national phase patent applications.

SIMPLIFIED PROCEDURE FOR FILING OF NATIONAL PHASE APPLICATIONS

- The procedure for filing a national phase application in India (corresponding to PCT international application) is effortless in that only one form is required to be filed and rest of the contents of the application are obtained by the Patent Office directly from the servers of International Bureau of the World Intellectual Property Organisation.

E-FILING FACILITIES

- For filing an application for patent or any document in the Patent Office, comprehensive e-filing service is available at the official website with a facility for making e-payment and there is no need to personally visit the office.

INCENTIVE FOR ONLINE FILING

- Indian Patent office offers 10% reduction in fees for online filing of all forms and documents relating to patents, at all stages of processing of an application right from the stage of filing to grant of patent and post-grant processes.

CONCESSION FOR SMALL ENTITIES

- Applicants belonging to the category of micro, small and medium enterprises (SMEs) are required to pay only 50% of the fee payable by other legal entities namely companies etc. The objective is to encourage the MSMEs to protect their knowledge assets. This facility can be availed equally by foreign applicants.

FACILITIES OFFERED BY THE DESIGNS WING TO APPLICANTS/STAKEHOLDERS

- Manual of Designs Practice and Procedure is in place for processing application for registration of designs to ensure uniformity and consistency in examination. The manual is available at the official website.
- Design applications can be filed by foreign applicants taking priority of their foreign applications.
- Design registration is granted within 6 months of filing of an application, if all requirements are met.
- Search facility in the design database is available in the official website.
- Design E- Journal is published in the official website on every Friday.

FACILITIES OFFERED BY THE TRADE MARKS REGISTRY TO APPLICANTS/STAKEHOLDERS

- Comprehensive e-filing services are available for online filing of all Trade Mark related forms at the office website.
- Entrepreneurs from all over the world can register their trademarks in India.
- The pre-requisites, FAQ, and instructions for e-filing are hosted on the website.
- Under the Madrid Protocol, through a single application for registration, facility of online filing of international applications can be availed.

NATIONAL MANUFACTURING

The need to raise the global competitiveness of the Indian manufacturing sector is imperative for the country's long term-growth. The National Manufacturing Policy is the most comprehensive and significant policy initiative taken by the Government. The policy is the first of its kind for the manufacturing sector as it addresses areas of regulation, infrastructure, skill development, technology, availability of finance, exit mechanism and other pertinent factors related to the growth of the sector.

VISION

- An increase in manufacturing sector growth to 12-14% per annum over the medium term.
- An increase in the share of manufacturing in the country's Gross Domestic Product from 16% to 25% by 2022.

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- To create 100 million additional jobs by 2022 in manufacturing sector.
 - Creation of appropriate skill sets among rural migrants and the urban poor for inclusive growth.
 - An increase in domestic value addition and technological depth in manufacturing.
 - Enhancing the global competitiveness of the Indian manufacturing sector.
 - Ensuring sustainability of growth, particularly with regard to environment.

STRENGTHS

- India has already marked its presence as one of the fastest growing economies of the world.
- The country is expected to rank amongst the world's top three growth economies and amongst the top three manufacturing destinations by 2020.
- Favourable demographic dividends for the next 2-3 decades. Sustained availability of quality workforce.
- The cost of manpower is relatively low as compared to other countries.
- Responsible business houses operating with credibility and professionalism.
- Strong consumerism in the domestic market.
- Strong technical and engineering capabilities backed by top-notch scientific and technical institutes.
- Well-regulated and stable financial markets open to foreign investors.

FOCUS SECTORS

- Employment-intensive industries like textiles and garments, leather and footwear, gems and jewellery and food processing industries.
- Capital goods industries like machine tools, heavy electrical equipment, heavy transport, earthmoving & mining equipment.
- Industries with strategic significance like aerospace, shipping, IT hardware & electronics, telecommunication equipment, defence equipment and solar energy.
- Industries where India enjoys a competitive advantage such as automobiles, pharmaceuticals & medical equipment.
- Small & medium enterprises.
- Public sector enterprises.

NATIONAL INVESTMENT & MANUFACTURING ZONES (NIMZ)

- The National Investment and Manufacturing Zones are being conceived as giant industrial greenfield townships to promote world-class manufacturing activities.

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- The minimum size is 5000 hectares (50 square kilometres) wherein the processing area has to be at least 30%.
 - The central government will be responsible for bearing the cost of master planning, improving/providing external physical infrastructure linkages including rail, road, ports, airports and telecom, providing institutional infrastructure for productivity, skill development and the promotion of domestic and global investments.
 - The identification of land will be undertaken by state governments. State governments will be responsible for water requirement, power connectivity, physical infrastructure, utility linkages, environmental impact studies and bearing the cost of resettlement and rehabilitation packages for the owners of acquired land.
 - The state government will also play a role in its acquisition if necessary.
 - In government, purchase preferences will be given to units in the national investment and manufacturing zones.

NATIONAL INVESTMENT AND MANUFACTURING ZONES IDENTIFIED UNDER DMIC

- Ahmedabad-Dholera Investment region, Gujarat
- Shendra-Bidkin Industrial Park City near Aurangabad, Maharashtra
- Manesar-Bawal investment Region, Haryana
- Khushkhhera-Bhiwadi-Neemrana Investment Region, Rajasthan
- Pithampur-Dhar-Mhow Investment Region, Madhya Pradesh
- Dadri-Noida-Ghaziabad Investment Region, Uttar Pradesh
- Dighi-Port Industrial Area, Maharashtra
- Jodhpur-Pali-Marwar region, Rajasthan

NATIONAL INVESTMENT AND MANUFACTURING ZONES IDENTIFIED OUTSIDE DMIC

- Kuhi and Umred Taluka of Nagpur district, Maharashtra
- Tumkur, Karnataka
- Chittoor, Andhra Pradesh
- Medak, Telangana
- Prakasam, Andhra Pradesh
- Gulbarga, Karnataka
- Kolar, Karnataka
- Bidar, Karnataka
- Kalinganagar, Jajpur District, Odisha

SIMPLIFICATION OF REGULATORY ENVIRONMENTS

- Timelines will be defined for all clearances.
 - Central & State governments to provide exemptions from rules and regulations related to labour, environment etc. subject to the fulfilment of certain conditions.
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- Mechanisms for the cooperation of public or private institutions with government inspection services under the overall control of statutory authorities to be developed.
 - Process of clearances by centre and state authorities to be progressively web-enabled.
 - A combined application form and a common register to be developed.
 - The submission of multiple returns for different departments will be replaced by one simplified monthly/quarterly return.
 - A single window clearance for units in NIMZ.
 - Ease in environment approvals.

ACQUISITION OF TECHNOLOGY & DEVELOPMENT

- The policy intends to leverage the existing incentives/schemes of government.
- A technology acquisition and development fund has been proposed for the acquisition of appropriate technologies, the creation of a patent pool and the development of domestic manufacturing of equipment used for controlling pollution and reducing energy consumption.
- The fund will also function as an autonomous patent pool and licensing agency. It will purchase intellectual property rights from patent holders. Any company that wants to use intellectual property to produce or develop products can seek a license from the pool against payment of royalties.

INCENTIVES

TRANSFER OF ASSETS

- In case a unit is declared sick, the transfer of assets will be facilitated by the company managing the affairs of NIMZ.
- Relief from capital gains tax on the sale of plant and machinery of a unit located in NIMZ will be granted in case of the re-investment of sale consideration within a period of 3 years for purchase of new plant and machinery in any other unit located in the same or another NIMZ.

GREEN TECHNOLOGY & PRACTICES

- 5% interest in reimbursement & 10% capital subsidy for the production of equipment/machines/devices for controlling pollution, reducing energy consumption and water conservation.
- A grant of 25% to SMEs for expenditure incurred on audit subject to a maximum of INR 1,00,000.
- A 10% one-time capital subsidy for units practising zero water discharge.
- A rebate on water cess for setting up wastewater recycling facilities.
- Incentives for renewable energy under the existing schemes.
- An incentive of INR 2,00,000 for all buildings which obtain a green rating under the IGBC/LEED or GRIHA systems.

TECHNOLOGY DEVELOPMENT

- Incentives for the production of equipment/machines/devices for controlling pollution, reducing energy consumption and water conservation.
- SMEs will be given access to the patent pool and/or part of reimbursement of technology acquisition costs up to a maximum of INR 20,00,000 for the purpose of acquiring appropriate technologies up to a maximum of 5 years.

SPECIAL BENEFITS TO SMEs

- Rollover relief from long term capital gains tax to individuals on sale of residential property in case of re-investment of sale consideration.
- A tax pass-through status for venture capital funds with a focus on SMEs in the manufacturing sector.
- Liberalization of RBI norms for banks investing in venture capital funds with a focus on SMEs, in consultation with RBI.
- The liberalization of IRDA guidelines to provide for investments by insurance companies.
- The inclusion of lending to SMEs in manufacturing as part of priority sector lending.
- Easier access to bank finance through appropriate bank lending norms.
- The setting up of a stock exchange for SMEs.
- Service entity for the collection and payment of statutory dues of SMEs.

GOVERNMENT PROCUREMENT

- The policy will also consider use of public procurement with stipulation of local value addition in specified sectors. These include areas of critical technologies such as solar energy equipment, electronic hardware, fuel efficient transport equipment, IT based security systems, power, roads & highways, railways, aviation and ports.

INDUSTRIAL TRAINING & SKILL UPGRADATION MEASURES

- The creation of a multiple tier structure for skill development, namely:
 1. Skill-building among large numbers of a minimally educated workforce.
 2. Relevant vocational and skill training through establishment of ITI in PPP mode.
 3. Specialized skill development through the establishment of polytechnics.
 4. Establishment of instructors' training centre in each NIMZ.

EXIT MECHANISM:

- It envisages an alternate exit mechanism through job loss policy and a sinking fund or a combination of both.

PART B: DIGITAL INDIA

The government of India has taken slew of measures under Digital India initiative. The aim is to completely transform the image of government, the way the government functions, takes decisions and interacts with stakeholders. It is just not the government which is being transformed by this digital revolution, business, media, education, communication, all areas are getting digital and those lagging are facing immense pressure to adopt in the new technology enabled environment. With a view to understand this transformation, this subtheme has been divided into two parts. Part A- Deals with the (i) need and impact of Digital India, (ii) Government policy and plan relating to Digital India and (iii) impeding challenges. Part B covers the aspects of (i) Knowledge management, (ii) Industry perspective of digital India, (iii) Disruptive Innovation and new entrepreneurial opportunities under digital environment, (iv) Digital Security and (v) International Perspective.

Digital India : The need

At the United Nations Conference on Sustainable Development held in Rio de Janeiro in June 2012, a global consensus was reached that to achieve the sustainable development goals the institutions at all levels need to be effective, transparent, accountable and democratic. E-governance holds tremendous potential to improve the way that governments deliver public services and enhance broad stakeholder involvement in public service.

In contrast to the colonial view of the Government as a 'controller' and 'ruler', in the present globalised environment, it is now changed to that of a coordinator and provider. Government is responsible for providing certain services to the citizens. Business corporations have discovered over the last few decades that information technology can make the value chain more efficient and lead to quality improvements and cost savings. Similarly, Governments have discovered that information technology can make the provision of services to the citizen more efficient and transparent, can save costs and lead to a higher level of efficiency. E-Governance is in essence, the application of Information and Communications Technology to government functioning in order to create 'Simple, Moral, Accountable, Responsive and Transparent' (SMART) governance. The revolution in Information and Communications Technology (ICT) has brought a whole new agenda for governance into the realm of possibility. E-Governance comprises decisional processes and the use of ICT for wider participation of citizens in public affairs. Citizens are participants in e-Governance. The purpose of implementing e-Governance is to improve governance processes and outcomes with a view to improving the delivery of public services to citizens.

E-Governance has to be comprehensive; mere introduction of the IT component is not an end in itself. Comprehensive e-Governance reforms cover (1) the process, (2) preparedness and the technology and (3) the people. Introduction of e-Governance needs process engineering as the first step. Unless the processes and procedures and even structures of government are re-engineered so as to be e-Governance compatible, e-Governance projects cannot succeed. The technology and the hardware and software come second, only after the processes have been re-engineered. And ultimately, in order to make the reforms sustainable the people in the concerned departments/agencies have to internalize the changes. This is

also one of the reasons why e-Governance projects succeed at the pilot level but 'when up-scaled' they become unsustainable.

“E-governance is easy governance, effective governance and economical governance”

- Sri Narendra Modi, Hon'ble Prime Minister of India

The Department of Electronics and Information Technology (DeitY), Ministry of Communications and Information Technology, Government of India has taken several policy initiatives in the e-Governance domain that are crucial for achieving the vision and objectives of the Digital India programme. It has brought out compendium on “E-governance Policy Initiatives under Digital India” as a ready reckoner.

The policy initiatives in the e-Governance domain are crucial for achieving the vision and objectives of the Digital India programme, include an endeavour to chart out the roadmap for implementation of e-Governance projects in the country, and cover a number of important areas, e.g. e-Kranti (National e-Governance Plan 2.0), open source software, open APIs, e-mail policy, use of IT Resources, Collaborative Application Development and Application Development & Re-Engineering for Cloud Ready Applications. These policy initiatives are envisaged to provide necessary support to all Central Ministries/ Departments as well as all States/UTs in leveraging the emerging technologies, making use of newer business models and revamping of existing projects so as to deliver the services electronically to citizens in an efficient, transparent and affordable manner. These policies draw their strengths from the national and international best practices in the respective domain as well as inputs from subject matter experts from Government departments, industry and academia.

Impacts of Digital India

The Digital India project provides a huge opportunity to use the latest technology to redefine the paradigms of service delivery. A digitally connected India can help in improving social and economic condition of people living in rural areas through development of non-agricultural economic activities apart from providing access to education, health and financial services. However, it is important to note that ICT alone cannot directly lead to overall development of the nation. The overall growth and development can be realized through supporting and enhancing elements such as literacy, basic infrastructure, overall business environment, regulatory environment, etc.

Economic impact

According to analysts, the Digital India plan could boost GDP up to \$1 trillion by 2025. It can play a key role in macro-economic factors such as GDP growth, employment generation, labour productivity, growth in number of businesses and revenue leakages for the Government.

As per the World Bank, new information and communications technologies (ICT), in particular high-speed internet, are changing the way companies do business, transforming public service delivery and democratizing innovation. With 10 percent increase in high speed Internet connections, economic growth increases by 1.3 percent. India is the 2nd largest

telecom market in the world with 915 million wireless subscribers and world's 3rd largest Internet market with almost 259 million broadband users. There is still a huge economic opportunity in India as the tele-density in rural India is only 45 where more than 65% of the population lives. Future growth of telecommunication industry in terms of number of subscribers is expected to come from rural areas as urban areas are saturated with a tele-density of more than 160%.

The digital platform can enable more creative and service-oriented business models that create employment opportunities. The Digital India project itself will create employment opportunities for 17 million people directly or indirectly which will help in fighting against unemployment problems in India. Government has planned to give IT training to 100 million students in smaller towns and villages as employment opportunity in IT sector is very high in India.

Social impact

Social sectors such as education, healthcare, and banking are unable to reach out to the citizens due to obstructions and limitations such as middleman, illiteracy, ignorance, poverty, lack of funds, information and investments. These challenges have led to an imbalanced growth in the rural and urban areas with marked differences in the economic and social status of the people in these areas.

Modern ICT makes it easier for people to obtain access to services and resources. The penetration of mobile devices may be highly useful as a complementary channel to public service delivery apart from creation of entirely new services which may have an enormous impact on the quality of life of the users and lead to social modernization.

The poor literacy rate in India is due to unavailability of physical infrastructure in rural and remote areas. This is where Mobile-Education services can play an important role by reaching remote masses. According to estimates, the digital literacy in India is just 6.5% and the internet penetration is 20.83 out of 100 population. The Digital India project will be helpful in providing real-time education and partly address the challenge of lack of teachers in education system through smart and virtual classrooms. Education to farmers, fisher men can be provided through mobile devices. The high speed network can provide the adequate infrastructure for online education platforms like Massive Open Online Courses (MOOCs).

Mobile and internet banking can improve the financial inclusion in the country and can create win-win situation for all parties in the value-chain by creating an interoperable ecosystem and revenue sharing business models. Telecom operators get additional revenue streams while the banks can reach new customer groups incurring lowest possible costs.

Factors such as a burgeoning population, poor doctor patient ratio (1:870), high infant mortality rate, increasing life expectancy, fewer quality physicians and a majority of the population living in remote villages, support and justify the need for tele medicine in the country. Mobile-health can promote innovation and enhance the reach of healthcare services.

Digital platforms can help farmers in know-how (crop choice, seed variety), context

(weather, plant protection, cultivation best practices) and market information (market prices, market demand, logistics).

Environmental impact

The major changes in the technology space have not only brought changes to the economic system but are also contributing to the environmental changes.

The next generation technologies are helping in lowering the carbon footprint by reducing fuel consumption, waste management, greener workplaces and thus leading to a greener ecosystem. The ICT sector helps in efficient management and usage of scarce and non-renewable resources.

Telepresence in work environment as well as home helps in creating a virtual environment for face to face conversations and minimizes the need for travel. Similarly, the flexible work environment where work from home and bring-your-own-device (BYOD) are permitted, can significantly reduce their carbon footprint and operational costs by not only reducing the electronic waste in the form of laptops, desktops, etc. but also by reducing the need of large fixed office space for businesses. A program in the UK found that an employee can save 1,175 driving miles each year, amounting to a 364.5kg reduction in carbon emissions when he works from home 1.5 days per week.

Mobile2Mobile enabled devices and technologies like smart meter, smart grid, smart logistics and smart building help in many different ways by efficient energy management.

Cloud computing technology minimizes carbon emissions by improving mobility and flexibility. The energy consumption can be decreased from 201.8 terawatt hour (TWh) in 2010 to 139.8 TWh in 2020 by higher adoption of cloud data centers causing a 28% reduction in carbon footprint from 2010 levels. Digital media for paper intensive services such as governance, ticketing, newspaper, etc. could not only result in efficient delivery of services but at the same time would lower the use of paper, thus preventing deforestation.

Overview of Digital India Policy

A good governing body requires a good communication platform to communicate with the stakeholders efficiently. Communicating with the citizens has been a big challenge for the government of India with widespread geography, massive population, and enormous linguistic & cultural diversity. The way of communication has changed a lot from postal and telegraph era to print and broadcasting media to the era of Digital Communication. The efficient way to communicate with the citizens of the world's largest democracy with a population of 1.2 billion is only possible by connecting with everyone on a digital platform. Though India is considered as the IT powerhouse of the world, there is a huge digital divide.

The Digital India initiative, a dream project of the Government to transform India into a digitally empowered society and knowledge economy, is centered on three vision areas:

- *Digital Infrastructure as a Utility to Every Citizen:* The government is planning to provide high-speed internet connectivity to 250,000 Gram Panchayats, which will be

a core utility for digital inclusion. The citizens will be provided with a digital identity which will be unique, lifelong, online, and valid. There will be easy access to Common Service Centers and a shareable private space for every citizen on a public cloud.

- *Governance and Services on Demand* : Under this vision, all the government departments will be seamlessly integrated with high-speed optical fiber, which will improve inter operability of these organizations and will result in real-time service delivery from online or mobile platform. Apart from this, the government is planning to make all citizen entitlements portable through cloud for easy and country-wide access and to digitally transform the services for improving ease of doing business in India. The government also plans to use the power of Geographic Information Systems (GIS) for decision support systems & development.
- *Digital Empowerment of Citizens* : This vision is to empower citizens through digital literacy and universal access to digital resources; e.g. all documents/certificates to be available on cloud and in Indian languages. Government has also plans to provide collaborative digital platforms for participatory governance; e.g. MyGov website for crowd sourcing ideas.

These three vision areas further encompass nine themes or 'pillars' of Digital India. Some of these are discussed below:

Pillars of Digital India

The Digital India initiative covers many important projects like National e-Governance Plan, National Knowledge Network, National Optical Fibre Network, digital cities, etc. which will help in digital inclusion in the country and empower the citizens to eradicate the digital divide.

Broadband highways

The government with the vision of "Digital India" has allocated Rs. 5 billion to build high speed broadband highways connecting all the villages, government departments, universities, R&D institutes, etc. The digital development sees broadband as a key driver in addressing the challenges in the Millennium Development Goals primarily through fibre networks.

The National Optical Fibre Network (NOFN) project, funded by the Universal Service Obligation Fund, has set the stage for providing broadband access to the country's 250,000 gram panchayats by 2016. This 200 billion project involves laying 600,000 km of fibre across the country. BSNL, RAILTEL (telecom arm of the Indian Railways), and PowerGrid Corporation are the three PSUs responsible for this task.

The participation of private players is very important for faster rollout of optic fibre networks across the length and breadth of a vast country like India. The competition from private players will not only bring efficiency into the processes but also help in bringing down the price of high speed digital services. Moreover, the innovation in marketing, operations and business process proven by private players can help in faster and greater adoption of high bandwidth services in the remote and rural areas.

E-Governance

“E-Governance refers to the use by government agencies of information technologies (such as Wide Area Networks, the Internet, and mobile computing) that have the ability to transform relations with citizens, businesses, and other arms of government. These technologies can serve a variety of different ends: better delivery of government services to citizens, improved interactions with business and industry, citizen empowerment through access to information, or more efficient government management. The resulting benefits can be less corruption, increased transparency, greater convenience, revenue growth, and/or cost reductions.”

The National e-Governance Plan (NeGP) formulated by the Department of Electronics and Information Technology (DeitY) and Department of Administrative Reforms and Public Grievances (DARPG), works in both centralized and decentralized way. The centralized way focuses on inter-operability of various e-governance applications and ensures optimal utilization of ICT infrastructure and resources while allowing for a decentralized implementation model.

There are many different initiatives from central government as well as state-governments under the NeGP project to ensure that the government services are available to citizens electronically.

- Pensioners’ portal, a web-based portal called Pensioner’s Portal has been created for the redressal of pensioners’ grievances. It also provides information to pensioners on retirement and pension-related issues.
- The Digital Chip Maker Intel along with the government unveiled a digital skills training application in 5 Indian languages, which includes modules on digital literacy, financial inclusion, healthcare and cleanliness. Intel will work with the Indian government to create digital literates across 1000 panchayats, a move that will impact five million citizens by the end of 2015.

E-Kranti Principles

Vision of e-Kranti : “Transforming e-Governance for Transforming Governance”.

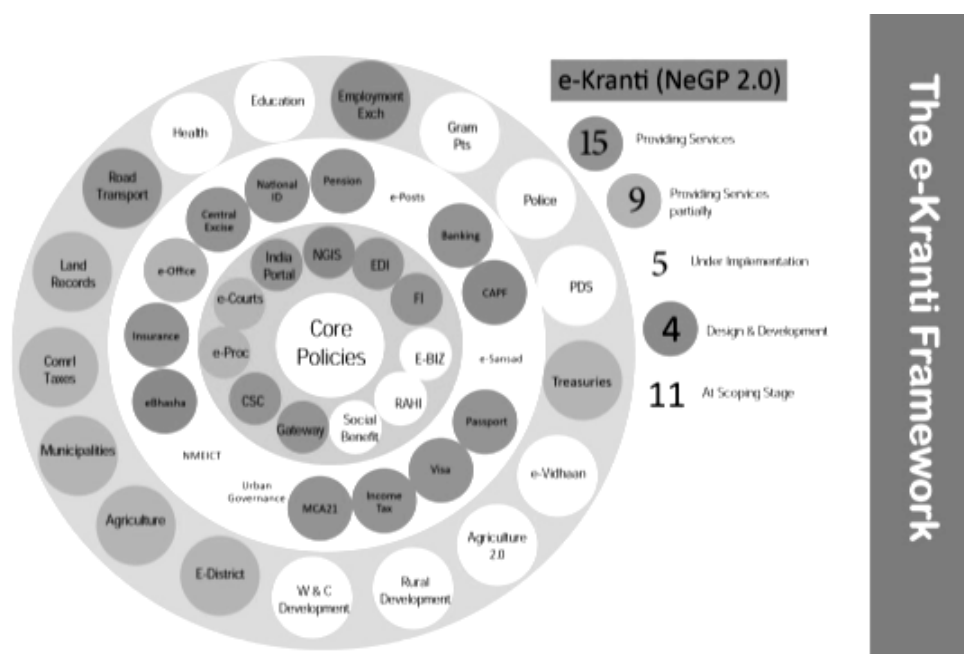
Digital India programme aims at transforming India into a digitally empowered society and knowledge economy. The implementation of e-Kranti, an integral part of Digital India, is vital for e-Governance in the country. All the new Mission Mode Projects (MMPs) are required to follow the key principles of e-Kranti, namely ‘Transformation and not Translation’, ‘Integrated Services and not Individual Services’, ‘Government Process Reengineering (GPR) to be mandatory in every MMP’, ‘ICT Infrastructure on Demand’, ‘Cloud by Default’, ‘Mobile First’, ‘Fast Tracking Approvals’, ‘Mandating Standards and Protocols’, ‘Language Localization’, ‘National GIS (Geo-Spatial Information System)’, ‘Security and Electronic Data Preservation’. All the existing MMPs would be revamped in accordance with the aforesaid principles of e-Kranti.

The key principles of e-Kranti are briefly explained as under:

- i. *Transformation and not Translation* - All project proposals in e-Kranti must involve substantial transformation in the quality, quantity and manner of delivery of services and significant enhancement in productivity and competitiveness.
- ii. *Integrated Services and not Individual Services* - A common middleware and integration of the back end processes and processing systems is required to facilitate integrated service delivery to citizens.
- iii. *Government Process Reengineering (GPR) to be mandatory in every MMP* - To mandate GPR as the essential first step in all new MMPs without which a project may not be sanctioned. The degree of GPR should be assessed and enhanced for the existing MMPs.
- iv. *ICT Infrastructure on Demand* – Government departments should be provided with ICT infrastructure, such as connectivity, cloud and mobile platform on demand. In this regard, National Information Infrastructure (NII), which is at an advanced stage of project formulation, would be fast-tracked by DeitY.
- v. *Cloud by Default* - The flexibility, agility and cost effectiveness offered by cloud technologies would be fully leveraged while designing and hosting applications. Government Cloud shall be the default cloud for Government Departments. All sensitive information of Government Departments shall be stored in a Government Cloud only. Any Government Department may use a private cloud only after obtaining permission from Department of Electronics and Information Technology which shall do so after assessing the security and privacy aspects of the proposed cloud.
- vi. *Mobile First* - All applications are designed/ redesigned to enable delivery of services through mobile.
- vii. *Fast Tracking Approvals* – To establish a fast-track approval mechanism for MMPs, once the Detailed Project Report (DPR) of a project is approved by the Competent Authority, empowered committees may be constituted with delegated powers to take all subsequent decisions.
- viii. *Mandating Standards and Protocols* – Use of e-Governance standards and protocols as notified by DeitY be mandated in all e-governance projects.
- ix. *Language Localization* - It is imperative that all information and services in e-Governance projects are available in Indian languages as well.
- x. *National GIS (Geo-Spatial Information System)* - NGIS to be leveraged as a platform and as a service in e-Governance projects.
- xi. *Security and Electronic Data Preservation* - All online applications and e-services to adhere to prescribed security measures including cyber security. The National Cyber Security Policy 2013 notified by DeitY must be followed.

Mission Mode Projects

The e-Kranti now covers 44 projects in three categories: Central, States and Integrated Services. Some of these projects are under various stages of implementation and may require some transformational process reengineering, refinements and adjustment of scoping and implementation strategy to achieve the desired service level objectives by the concerned line Ministries/Departments at the Central, State and Local Government levels. All these Mission Mode Projects have the common aim of improving delivery of Government services to citizens and businesses.



KNOWLEDGE MANAGEMENT

Earlier e-Governance was considered as mere application of ICT tools to the governance processes. But, a successful e-Governance intervention requires a holistic approach as it encompasses domain knowledge, process reform management, resources management, project management and change management. In each one of these, Knowledge Management (KM) is an important component, and has been defined as “a discipline that promotes an integrated approach to identifying, capturing, evaluating, retrieving and sharing enterprise information assets.” (Gartner Group). Knowledge Management is a process that, continuously and systematically, transfers knowledge from individuals and teams, who generate them, to the brain of the organisation for the benefit of the entire organisation. It is the systematic, explicit, and deliberate building, renewal, and application of knowledge to maximize an enterprise’s knowledge-related effectiveness and returns from its knowledge assets. Knowledge Management in an organization involves the following steps:

- a. Identification of the knowledge assets within the organization - explicit and tacit

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- b. Development of these knowledge assets
 - c. Capturing and preservation of the knowledge
 - d. Using and sharing of the knowledge.

Although, Knowledge Management is often perceived as merely a technological solution; in fact it has a much wider connotation as it is aimed at enabling people to efficiently perform their functions. For citizens, the benefits to be reaped from KM include better services, more choices, more personalization and greater accountability of how their money is spent. For the organizations, KM provides the major benefit of improving the organization's performance through increased efficiency and innovation. But for these benefits to occur, the *back office processes must be in place. KM is founded on the notion that the organization's most valuable resource is the knowledge of its people. UN E-Government Survey 2008 therefore looked at the issue of connected governance from the perspective of how governments manage and how they should manage their back office processes.*

Governments across the globe are the biggest source of information and knowledge by virtue of their size and complexity of processes. Inadequate or no knowledge management practices within the Government generally lead to loss of opportunity as a result of lost institutional memory, knowledge gaps and non-availability of appropriate inputs for decision making. With the tremendous investment in KM in the private sector leading to substantial benefits, governments too have started to appreciate the benefits of KM. The motivation for the Government to adopt KM practices are factors like existence of a vast knowledge pool, shrinking Government budgets and the need to promote knowledge sharing within and across government organizations leading to achievement of better governance.

Promoting KM in Government

Knowledge Management is essentially about facilitating the processes by which knowledge is created, shared and used in organizations. It is not about setting up a new department or getting in a new technology. It is about making changes to the way individuals in organisations function. There are many ways of looking at Knowledge Management and different organizations will take different approaches. Generally speaking, creating a knowledge environment usually requires changing organizational values and culture, changing people's behaviours and work patterns, and providing people with easy access to each other and to relevant information resources. The typical phases to be followed in building a Knowledge Management system are:

Phase I – Undertake Knowledge Audit : This phase answers the questions like who collects what information? Why is it collected? Is it collected in time? Is collected knowledge put to any use? Is there a better way of collecting knowledge? Is required information being collected?

Phase II – Create Knowledge : Phase II helps in taking stock of existing knowledge and assessing knowledge needs of the organization. Determine who will create what information, when and in what format?

Phase III – Capture Knowledge : Phase III deals with the transformation of tacit knowledge into storable explicit knowledge. It deals with activities like recording one-to-one conversations, recording a brainstorming session, recording minutes of meetings and other proceedings. It also deals with recording success profile of individual e-government champions.

Phase IV – Store Knowledge : This phase of the KM cycle deals with organizing knowledge into codifiable and non-codifiable categories. Use of electronic media for knowledge storage should be encouraged. Opening a knowledge centre in the ministry/department implementing an e-Government project is a good practice. The knowledge centre should Identify and use “best practices” in knowledge storage and should disseminate the same to the intended audience.

Phase V – Use Knowledge : Knowledge captured and stored should be made accessible to all concerned personnel. A culture of knowledge sharing should be promoted within the organization. Setting up knowledge distribution and knowledge sharing mechanisms within the organization will help the KM cause. Providing knowledge inputs to policy makers and monitoring knowledge use will help in taking mid-course correction measures.

Phase VI – Review Knowledge : The phase deals with the scanning of the horizon to anticipate knowledge needs of a ministry/department. Review the existing stock and flow of knowledge. Make use of simple but effective knowledge indicators. Involve stakeholders in knowledge review. The project implementers should constantly ask the question: has knowledge led to better decision making and/or higher productivity?

Knowledge Management Toolbox for e-Government

A number of Knowledge Management (KM) tools and techniques exist for e-governance, including:

- a. *After Action Reviews (AARs)* : This technique was pioneered by the US Army for learning lessons from an activity or project. It basically involves making an assessment of a project or major activity after it has been completed with the aim of allowing the employees and leaders to discover and learn what happened and why. It is in the nature of a professional discussion.
 - b. *Communities of Practice (COPs)* : In simple terms, “CoPs are small groups of people who have worked together over a period of time and, through extensive communication, have developed a common sense of purpose and desire to share work related knowledge and experience”.
 - c. *Knowledge Audit* : A systematic process to identify an organisation’s knowledge needs, resources and flows, as a basis for understanding where and how knowledge can add value. It also involves a comparison of performance against pre-set standards.
 - d. Knowledge Plan (Based on knowledge strategy)
 - e. Exit Interviews (Capturing knowledge of departing employees)
 - f. Sharing Best Practices (Identifying, capturing in one part of organisation and sharing with all others)
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- g. Knowledge Centres (Connecting people, information, databases)
 - h. *Knowledge Harvesting* : It generally refers to an integrated set of processes that capture the often hidden insight of human expertise available in an organization or system. Just as individual skills are acquired through practice over time, so the skills of an organisation are developed and sustained only through experience. Thus it basically involves capturing knowledge of "experts" and making it available to others.
 - i. *Peer Assists* : A peer assist is a meeting or workshop where people are invited from other organizations and groups to share their experience, insights and knowledge with a team who have requested some help early on in a piece of work. In practice, it generally amounts to learning from experience of others before undertaking an activity or project.

Knowledge Management is central to governance reforms in general and e-Governance reforms in particular. Therefore, the Governments and organisations should take proactive steps in establishing Knowledge Management systems as a pivotal step in the implementation of e-Governance.

INDUSTRY PERSPECTIVE

The Government of India has embarked upon an ambitious journey which has a vision to transform India into a digital state where the government will interface with its stakeholders digitally. Whether it is interfacing with the Citizens, Businesses or within the Government, the fundamental principle is digital enablement of the services which has led to inception of the 'Digital India' program. It is a proven fact that digitally enabled economies grow faster than the others a case in point being China.

With proven technologies like Cloud, Machine-to-Machine (M2M), Analytics, Mobile (web-based interface), Social and Security at our disposal, this transformation can be made into a reality. A program of this scale, however, has never been conceived and one may well imagine the challenges that this will present. Challenges of managing scale, complexity and breadth will present themselves aplenty.

DISRUPTIVE INNOVATIONS

Driving innovation and disrupting traditional models

The year 2014 saw a major transition in the industry across all major sectors in the digitalization of business operations. Case studies and points-of-view saw deployment of these innovative platforms reaching the end user. The change was fast and results welcoming for the business stakeholder. At the same time early adopters are threatening the survival of other players. A few industry examples are discussed below:

Retail : In retail, mobile and online sales exploded in the year 2014. The traditional business model of physical point of sales and franchise changed at a fast pace to digital stores making their merchandise available using mobile and online-web-based sales channel.

This trend of retail business saw rise of new breed of companies like Alibaba's initial

public offerings (IPO) in New York Stock Exchange (NYSE) and FlipKart's valuation. It heralded beginning of an end to traditional businesses around the world. The world is now connected and businesses are done across the world with no boundaries, thus opening up new competitors known and unknown. The entry of many online retailers in the market has taken the competition to a different level. The trend is moving from brand stores and retail chains to online stores and retail aggregators. Traditional business model therefore require revisiting their strategy.

Insurance : With traditional risk to catastrophic losses from natural disasters and bad claims, insurance sector is facing one of the toughest challenges of all time - adoption of digital technology. The consumer behaviour is changing thereby forcing Chief Executives to reassess their traditional business models.

Digital world and connectivity is transforming customer behaviour and the insurance companies are struggling to get in pace with the expectations like 71% of the consumers used some form of research using digital media like social media and price comparison; 50% consumers are prepared to provide their personal and lifestyle information to enable seeking best deals for relevant services on their behalf.

Insurance companies have now started to adapt into digital world by using in-vehicle telematics that will price driver risk better, brand building using social media, build mobile applications that will help agents connect with existing and prospective customers.

Banking : Digitization of banking system brings in huge value for the consumers providing real time banking access anytime, anywhere on any device – one view of balance, statements, and transaction status and details. It provides real time monitoring of payments and payment details as well as controls on transaction for cheques, cards and bulk transaction. Electronic invoicing opens up new channel to secure and real-time invoicing. Connecting to international trade service providers has become easier than never before.

The digital trend is forcing banks to focus on online-electronic as core channel rather than the branches. Banks are shutting down branches - Europe closed around 20,000 in last 4 years. Transforming transactions performed by banks core branch to digital media will be more beneficial as the trend is from 1 branch per 20,000 to 1 branch per 250,000 customers. Bank will require features that are important to build their digital image, Ease-of-use (less clutter, complexity, highly responsive) interface with rich content visualization. (Source: Digital India- Unleashing Prosperity. Wipro, CII, MITSOT. Knowledge partner Deloitte, Page 27)

Digital India – For Entrepreneurs

The Digital India announcement is one that can prove to be truly transformational for the country. Tremendous opportunities lie ahead for creating a huge base for electronics manufacturing in India and introducing digital technologies and skills to change the fortunes of the underserved segments of Indian society. The National Broadband Mission, the National Optical Fibre Network and other digital infrastructure projects have been somewhat delayed but enough optimism exists that these will be completed and extended to all parts of the country and create the base for a digital revolution in the country.

One major outcome of this initiative, apart from the business it opens up for scale players in the IT sector in India, is the vast set of opportunities that can and should open up for the start-up ecosystem in the country. Entrepreneurs in internet services, m and e-commerce, design and manufacturing services in high tech manufacturing and products, services and skills creation for the digital environment will find ample scope for creativity and innovation in the new environment.

There will also be entrepreneurial opportunities in the intersection of “Make in India” and “Digital India” that will see new age manufacturing companies embrace new technologies on the shop floor and transform supply and demand chains in the changing competitive landscape of the manufacturing industry. The empowerment of manufacturing through the Internet of Things (IoT) is creating intelligent shop floors that demonstrate data driven operational excellence and decentralized production control systems within and beyond the physical factory walls. Connected supply chains and collaborative networks are accelerating the movement of physical entities as well as information through the eco-system. Some digital initiatives that are being implemented in manufacturing companies in India include digital warehousing, on-line bidding, mobile field force and supplier collaboration platforms and collaborative manufacturing systems across states and industrial corridors. Much of this is being enabled by the all-pervasive glue of Information Technology and IoT will take the transformation process to a new level of maturity.

One predictable outcome of these changes, both at industry and firm level will be the need for a new approach to managing information technology.

The opportunities in Digital Manufacturing will be multiplied in Digital Healthcare, Education, Financial Services and even just Digital Government. Diagnostics, Needs Analysis and Service Design and Delivery. A fully digital environment will create new value propositions in all sectors of the economy and it will need a new breed of young entrepreneurs, ideally born in the digital era to see the discontinuities in existing services where new companies can be created, scaled and either sold to larger players or taken on to a global destiny. For the new era Google and Facebook wannabes, Digital India will present a wonderful opportunity. The success of entrepreneurship will be the true success of India! -(Dr. Ganesh Natarajan, Vice Chairman & CEO, Zensar Technologies Chairman, NASSCOM Foundation)

Emission Reduction and Control: The digital way

There are many ways to address the problem of carbon emission by reducing it wherever possible or offsetting the emission where the reduction is not possible. The evolution and adoption of digital technology has a critical role to play in the reduction of carbon footprint moving towards improved lifestyle and a greener planet. The technologies like video conferencing, mobile devices, smart vehicles, cloud computing, digital cinema, smart cars, internet of things, digital sensors, etc. can help in reducing the CO₂ emission in a significant way by reducing travel and efficient consumption of fossil fuels. Today companies are looking for smarter solutions that are not only cost effective but also meaningfully reduce their carbon footprint.

Digital India and Digital Economy

The disruptive technologies and trends including social, cloud computing, mobile and analytics can play a major role in providing governance and services on demand to the citizens. Through this convergence of Digital economy which India is trying to create through the Digital India initiative, Indian economy is transforming towards financial inclusion via provisioning of varied revolutionary services including Mobile money that facilitates cashless or mobile payments, integration of Aadhar with public cloud and general citizen services and use of social media for connecting to citizens. Additionally the paradigm is now shifting from e-Governance to mobile Governance (m-Governance) by enabling one web approach.

Digital India aims at making technology central to enable change and the cyber security will be one of the key concerns of the initiative since the impact of losing the data gets higher when moving towards a digitized economy. Cyber-attacks at this level would not only affect the public safety of citizens, but also the commercial integrity of organizations and ultimately, the competitiveness of India.

It is not only the number of intrusions getting higher day to day, but also the nature and characteristic of these.

With the evolution and implementation of varied disruptive technologies and the revolutionizing shift over enterprise architecture, eventually moving towards Social, Mobile, Analytics and Cloud (SMAC) in conjunction with technologies like Software Defined Networking (SDN) and Network Functions Virtualization (NFV) goes for a toss, if not aided with a comprehensive security system.

In such a complex environment with correlative tethering of solution sets in the infrastructure, security is more of a dilemma which has to get itself aligned with each type of emerging threats and risks, thus inclining the focus from security to the 'notion of survivability' – i.e. preserving operations in the phase of an attack. Thus, constructing the security frameworks and responses to such dynamic environment needs to be much more efficient.

Cyber criminals use a seemingly endless array of techniques to compromise and infiltrate nearly every aspect of electronic environment. The global economy has become increasingly dependent on Web-based systems and interconnectivity to operate smoothly. In fact, cyber-attacks have grown so complex and varied that traditional IT system defenses such as Antivirus (AV) software and Intrusion Prevention Systems (IPSs) are not enough on their own. Cybercrime thus has become big business with cybercriminal counter intelligence available to the hackers accelerating the volume, variety and velocity of threats we are dealing with.

Businesses of all sizes now are required to prepare for the unknown so they have the flexibility to withstand unexpected, high impact security events. Looking at the nature of ongoing threats, the impact from these threats can have a very long and disproportionate "tail". If a threat impacts the organization, then the organization either deliberately or unwillingly is made to accept it and it certainly can't avoid the loss of reputation, once the

news goes wild. Along with this, the threat perimeter is represented by a number of vectors having multiple probabilities of occurrence of operational breakdowns for any organization. The impact of security threats can always be seen on all segments of organizations majorly affecting the governance components of the entire organization.

Cyber Security

Cyber security in Digital Economy

Security has become one of the most important focus areas which need to be looked from the perspective of protecting citizen information, government agency details and critical infrastructure. With the advent and popularity of business moving to the cloud, and transcending operations through social media and mobile (Bring-Your-Own-Device (BYOD)), it is very difficult to have a constant and clear picture of what the threats across the environment look like. The question of whether information volume, cost, and risk will continue to grow no longer exists. There is also no question of whether proactive information governance program is required. Indeed, the issue is no longer why an organization needs one, but rather how to strategically design and implement one successfully with sustainable outcomes.

With technologies getting implemented at an incremental rate across industries and government (through migration to cloud - project "MeghRaj" and social media avenues) it is challenging to estimate the business's ability to manage the risk of such a complex ecosystem and hence intelligent processes must be aligned in order to curb huge economic impact that this may cause in limited time. In digital age, there is need to ensure that ecosystem is secured from various cyber threats and espionage as they are growing at an exceptional rate. With threat landscape fierce as never before, robust framework needs to be established for cyber security and this also motivates the need to understand the root cause, and implement a proactive approach in order to avoid any high impact to the government or organization's vision and business.

Thus, Information Security (governance) is an important part of the overall national and corporate governance model wherein nations and organizations should strive to make a coherent system of integrated security components which exist to ensure that the organization's operations are not hampered with the evolving security threats thus creating a notion of survivability. This would thus assist the 'Digital India' initiative with an umbrella program to prepare India for a knowledge based transformation.

Going forward

United Nations E-Government Survey, 2014 shows that e-government can contribute towards the post-2015 development agenda by strengthening national capabilities, enhancing governments' performance, increasing efficiency, effectiveness and inclusiveness of public services, promoting transparency and reducing corruption in the public sector, helping governments "go green", facilitating effective disaster management, favouring an enabling environment for economic growth, as well as promoting social inclusion through equitable access to services.

UN E-Governance survey, 2014 further shows that progress in e-government development has been attained through increased e-participation, growth of the mobile channel and social media, expanded usage and the burgeoning of open government data. Yet there are numerous inspiring exceptions, many challenges remain, such as low income, ongoing digital divides, the inadequacy of institutional change processes and lack of innovative e-government leadership. Addressing e-government challenges is often dependent on the national capacity for change and innovation, which itself largely determines the success of e-government goals.

Based on good practices from around the world, the 2014 Survey highlights that effective e-government development depends on strong political will, collaborative leadership and new governance frameworks to support and manage a citizen centric service delivery model, including a national ICT policy and e-government strategy, as well as strengthening institutions and building the capacities of public servants. The effective approaches and modalities as well as the comparative advantage of the whole-of-government approach should be considered in forming the future framework for e-government development. Commitments to collaboration, openness, transparency, accountability and participation in national public governance, backed by robust ICT infrastructure, adequate human capital and online service delivery, are also of critical importance to the development of effective e-government for a sustainable and desirable future.

PART C : SKILL DEVELOPMENT AND ENTREPRENEURSHIP

Today, the world and India need a skilled workforce. If we have to promote the development of our country then our mission has to be 'skill development' and 'Skilled India'. Millions and millions of Indian youth should acquire the skills which could contribute towards making India a modern country. I also want to create a pool of young people who are able to create jobs and the ones who are not capable of creating jobs and do not have the opportunities, they must be in a position to face their counterparts in any corner of the world while keeping their heads high by virtue of their hard work and their dexterity of hands and win the hearts of people around the world through their skills. We want to go for the capacity building of such young people. My brothers and sisters, having taken a resolve to enhance the skill development at a highly rapid pace, I want to accomplish this.- Shri Narendra Modi, Hon'ble Prime Minister of India.

With 62% of India's population in the working age group (15-59 years), and more than 54% of its total population below 25 years of age, India boasts of demographic dividend. In this backdrop, the issue of skill development becomes all the more relevant.

The first National Policy on Skill Development was notified in 2009, containing an analysis of the current scenario, laying down the aims and objectives of the policy, details the policy framework for Skill development and also policy framework for Entrepreneurship, including Governance structure, financing monitoring and evaluation.

Skill development and Entrepreneurship landscape- the problems, issues and challenges

— It is estimated that only 4.69% of the total workforce in India has undergone formal

skill training as compared to 68% in UK, 75% in Germany, 52% in USA, 80% in Japan and 96% in South Korea.

- A skill gap study conducted by NSDC over 2010-2014, indicates that there is an additional net incremental requirement of 109.73 million skilled manpower by 2022 in twenty four key sectors.
 - 104.62 million fresh entrants to the workforce over next seven years (by 2022) will need to be skilled. In addition, 298.25 million of existing farm and nonfarm sector workforce will need to be skilled, reskilled and upskilled.
 - One of the major challenges in the country today is public perception on skilling, which is viewed as the last option meant for those who have not been able to progress/opted out of the formal academic system. The factors responsible for this state of affairs are summarised below:
 - Social and traditional view that sees status as being inversely proportional to the degree to which one works with ones hands. This can also be attributed to primeval and archaic ethos which compartmentalized the skilling landscape for several hundred years.
 - The proclivity of large sections of industry especially in the micro, small and medium sectors to treat skilled and unskilled persons at par, thereby depriving skilling of any meaningful economic incentive.
 - Most of the vocational training programmes are not aligned to the requirements of the industry.
 - Skill development programmes of the Central Government over the years have been spread across more than 20 Ministries/Departments without any robust coordination and monitoring mechanism to ensure convergence. The scenario is no different in most of the states resulting in multiplicity of norms, procedures, curricula, certifications etc. Further, many of these skill development initiatives often remain unaligned to demand, thus defeating its entire objective.
 - While State Skill Development Missions (SSDMs) have been launched in almost all States, there is an imminent need for capacity building and empowerment of SSDMs in many States in order to upscale quality skill development.
 - Students undergoing training for “free” attach little value to training whereas training providers focus on increasing their numbers rather than quality of training.
 - There is multiplicity in assessment and certification systems existing in the country which leads to inconsistent outcomes and causes confusion to the employers.
 - The availability of good quality trainers is a major area of concern. There is a lack of focus on development of trainer training programmes, career progression pathways for trainers have also not been defined.
 - Efforts in the skill landscape have been largely devoid of industry/employer linkages until the last few years. This has created gaps in terms of sectoral need and availability, competency required by employer and those possessed by a trainee etc
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- One of the biggest challenges of skill development is that 93% of the workforce is in informal/unorganised sector. Consequently it is difficult to map existing skills in the unorganised sector and gauge the skilling requirement in the sector.
- Women constitute almost half of the demographic dividend. The key challenge here is to increase their participation in the country's labour force, which is directly linked to economic growth of the country.
- Entrepreneurship based on innovation has immense growth potential. However, the number of local entrepreneurs emerging every year in India is very low. The Global Innovation Index 2014 ranks India 76 out of 143 countries . Accelerating entrepreneurship especially that based on innovation is crucial for large-scale employment generation in India.

National Skill Development and Entrepreneurship Policy 2015 attempts to address these concerns. It tries to bring the world of education and training closer to the world of work so as to enable them together build a Strong India.

1. Aims and Objectives of the Policy

Vision

“To create an ecosystem of empowerment by Skilling on a large Scale at Speed with high Standards and to promote a culture of innovation based entrepreneurship which can generate wealth and employment so as to ensure Sustainable livelihoods for all citizens in the country.”

Mission

The mission is to-

Create a demand for skilling across the country;

Correct and align skilling with required competencies;

Connect the supply of skilled human resources with sectoral demands;

Certify and assess in alignment with global and national standards; and

Catalyse an ecosystem wherein productive and innovative entrepreneurship germinates, sustains and grows leading to creation of a more dynamic entrepreneurial economy and more formal wage employment.

Objectives

The core objective of the Policy is to empower the individual, by enabling her/him to realize their full potential through a process of lifelong learning where competencies are accumulated via instruments such as credible certifications, credit accumulation and transfer, etc. As individuals grow, the society and nation also benefit from their productivity and growth. This will involve:

- I. Make quality vocational training aspirational for both youth and employers whereby youth sees it as a matter of choice and employer acknowledges the productivity linked to skilled workforce by paying the requisite premium.

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- II. Ensure both vertical and horizontal pathways to skilled workforce for further growth by providing seamless integration of skill training with formal education.
 - III. Focus on an outcome-based approach towards quality skilling that on one hand results in increased employability and better livelihoods for individuals, and on the other hand translates into improved productivity across primary, secondary and tertiary sectors. .
 - IV. Increase the capacity and quality of training infrastructure and trainers to ensure equitable and easy access to every citizen.
 - V. Address human resource needs by aligning supply of skilled workers with sectoral requirements of industry and the country's strategic priorities including flagship programmes like Make in India.
 - VI. Establish an IT based information system for aggregating demand and supply of skilled workforce which can help in matching and connecting supply with demand.
 - VII. Promote national standards in the skilling space through active involvement of employers in setting occupational standards, helping develop curriculum, providing apprenticeship opportunities, participating in assessments, and providing gainful employment to skilled workforce with adequate compensation.
 - VIII. Operationalize a well-defined quality assurance framework aligned with global standards to facilitate mobility of labour.
 - IX. Leverage modern technology to ensure scale, access and outreach, in addition to ease of delivering content and monitoring results.
 - X. Recognise the value of on-the-job training, by making apprenticeships in actual work environments an integral part of all skill development efforts.
 - XI. Ensure that the skilling needs of the socially and geographically disadvantaged and marginalized groups (like the SCs, STs, OBCs, minorities, differently abled persons etc.) are appropriately taken care of.
 - XII. Promote increased participation of women in the workforce through appropriate skilling and gender mainstreaming of training.
 - XIII. Promote commitment and ownership of all stakeholders towards skill development and create an effective coordination mechanism.

2. Policy framework for Skill Development:-

The framework outlines following eleven major paradigms and enablers to achieve these objectives of skilling India:

i. *Aspiration and Advocacy*

The need of the hour is to make skill development aspirational for boys and girls in the country. For skill training to be looked at as a matter of choice, it must provide

vertical growth pathways on the lines of the general education system, so that skill education and training is also seen as a valid route to earn degrees and diplomas, and consequently to positions of authority linked to such qualifications; and be associated with growth and sustainable livelihood pathways; and have a causal relationship with increased income for skilled workforce.

The Prime Minister's Skill Development Fellow scheme will be introduced to tap talented, young individuals who will work with the State and District administration to spread awareness about skill development, identify the local needs and steer skill development efforts in the region.

To further the aspiration and respect associated with skilling, National Skill Awards will be instituted in close association with major stakeholders.

Counselling and guidance have emerged as the biggest challenges in the skill space today. The network of 2.85 lakh Youth Clubs/Mahila Mandals of Nehru Yuva Kendras with presence in 623 districts would also facilitate in providing counselling and guidance to the youth of the country about various skilling programmes and opportunities.

Government will promote use of certified, skilled manpower for its work and projects through enabling provisions in their contracts. The companies will also be asked to indicate the percentage of certified, skilled workforce in their units as a part of their annual report.

ii. *Capacity*

The annual skilling in the country was estimated at around 7 million in 2014. In the current landscape, capacity is being created by private sector training organisations, industry inhouse training, government and private Industrial Training Institutes (ITIs), Advanced Training Institutes (ATIs), tool rooms and in schools, colleges and polytechnics.

India has a tremendous amount of hard and soft infrastructure which is underutilised. Skilling is a challenge which requires the supply to be close to the skill catchment, thus it is essential to take skilling to the remotest parts of the country and scale up quickly which is only possible by using this existing infrastructure. Schools/colleges will be used during holidays/off hours for training purposes; shop floors of industries will be utilized for practical training etc.

New ITIs will be set up in PPP mode especially in unserved blocks of the country to expand outreach of skilling programmes. Further, higher order skilling will be promoted through ATIs and Multi Skill Institutes (MSIs) set up in PPP mode with strong industry linkages.

Special focus will be laid on youth who do not wish to continue with school or higher education so that they are provided skills for other sustainable livelihood options. Special programmes will be initiated for providing skill training to those who have

eight years or more of schooling. Separate skill courses, aligned to the appropriate NSQF levels, will be held in existing schools/centres during evening hours to provide alternate career pathway to these students.

The human resource requirements of the country will be addressed by aligning the supply composition of skilled workers with demand. Training providers will be incentivized and Government schemes designed to enable the workforce to benefit from the requirements of industry and the country's strategic priorities including flagship programmes. This will ensure that the supply of skilled workforce is relevant to projected needs and can be easily absorbed into the job market.

Private Sector initiatives in skilling will be encouraged and would be entrusted to NSDC to create skilling capacity in the country.

The apprenticeship opportunities in the country are presently insignificant when compared to the size of the economy. Government has carried out comprehensive reforms in the Apprentices Act, 1961 to make it both industry and youth friendly. Government will work together with industry including MSME sector, to create a positive environment for increased apprenticeship opportunities in the country. The services sector will also be brought under the ambit of apprenticeship. Apprenticeship will further be incentivised in the MSME sector through appropriate schemes for sharing of stipend etc. Government will target a tenfold increase in apprenticeship opportunities in the next five years.

iii. *Quality*

'One Nation One Standard' should become the mantra to ensure that national standards and quality for skilling are globally aligned and Indian youth can aspire to secure local, national and international job opportunities. Quality of training can be measured by competency outcomes and employability of trainees. The parameters identified for improving quality, include, Quality assurance framework embedded in NSQF; Market relevant training programmes; Recognition of prior learning; Curriculum alignment; National Certification Framework; Employability skills; Placements.

Skill India and Make in India

Make in India and Skill India are complementary to each other. The key objective of Make in India is to promote manufacturing in 25 sectors of the economy, which will lead to job creation and consequently need for skilled manpower. Some of these sectors include automobiles, chemicals, IT, pharmaceuticals, textiles, ports, aviation, leather, tourism and hospitality, wellness, railways, auto components, design manufacturing, renewable energy, mining, bio-technology, and electronics. Correspondingly, Skill India aims at preparing a highly skilled workforce which is completely aligned to the requirements of industry so as to promote growth through improved productivity. Skilling efforts will be completely aligned with the requirements of 25 key identified sector of Make in India.

All new industrial/development clusters will be mandated to set up quality training institutes in the area to take care of skilling needs of the region.

Global Partnerships

The main objective of global partnerships and international collaborations is to leverage best practices from across the world. Such collaborations will immensely enrich domestic training programmes by enhancing their quality through learnings from successful international models of vocationalization of education, engaging with industry, etc. Institutional arrangements through joint working groups, secretariats, etc will be established for regular exchange of knowledge, experiences, research findings, teaching and learning materials, and innovations in skill development.

According to US Census Bureau estimate, by 2022, countries like USA, UK and China will fall short of skilled labour by 17 million, 2 million and 10 million respectively while India will have a surplus of almost 47 million in the age group of 19-59 years. This strength can be leveraged by countries of destination to meet their labour and skill shortages. Labour mobility is the only long term solution for sustaining global growth rates. To address this aspect of skill mobility the government will pro-actively build Human Resource Mobility Partnerships (HRMP) with key countries in collaboration with the concerned parties.

The National Skills Qualifications Framework will be aligned to globally recognized qualification frameworks for ensuring quality and uniformity. Consequently, transnational standards will be created for sectors where there is an opportunity for international workforce mobility. Close partnerships with the concerned countries would enable certified Indian youth to get employed in these countries. Assessment and certification framework will be benchmarked to international standards. National Skills Qualification Committee (NSQC), with assistance from the concerned SSCs, would be capacitated to develop working standards, assessments and certifications with respective agencies in the destination countries.

In addition, there are countries and regions where India will support development of their skill development ecosystem through sharing our institutional models, occupational standards and qualification packs.

Promotion of Skilling amongst Women

Women participation in vocational education and training is especially low as compared to men. Special mechanisms in the delivery of training such as mobile training units, flexible afternoon batches, training based on the local needs of the area, will be introduced to ensure participation and mobilization of women.

Training in non-traditional fields for women will be promoted through the establishment of specific training programmes that focus on life skills training modules and literacy training. Apart from that, efforts will be made to increase the pool of women trainers. New institutes exclusively for training of women as trainees and trainers, will also be promoted by Government.

Women related issues will be incorporated in the guidelines for skill training procedures. These could include issues of safe and gender sensitive training environment, employment

of women trainers and equity in remuneration, and complaint redressal mechanism.

An internet or mobile based platform for women employment, by connecting skilled women and employers, will be promoted. This platform could focus on women willing to re-enter the workforce after a break and those affected by migration.

3. Policy Framework For Entrepreneurship

This policy framework, cognizant of the need for the full ecosystem to be present to unlock entrepreneurial potential, proposes a nine part entrepreneurship strategy as under:

- Educate and equip potential and early stage entrepreneurs across India
- Connect entrepreneurs to peers, mentors and incubators.
- Support entrepreneurs through Entrepreneurship Hubs (E-Hubs).
- Catalyse a culture shift to encourage entrepreneurship.
- Encourage entrepreneurship among under-represented groups.
- Promote Entrepreneurship amongst Women
- Improve ease of doing business.
- Improve access to finance.
- Foster social entrepreneurship and grassroots innovations

PART D : EASE OF DOING BUSINESS

“Minimum Government Maximum Governance” the mantra given by Hon’ble, Prime Minister, Sri Modi very well encapsulates the need of the hour. The mantra necessarily implies that the government should not interfere until it is most essential. However to ensure maximum governance, the government needs to keep constant watch on the players and intervene in case of foul. The idea of Laissez-faire also talks of leaving private transactions free from government intervention. However after decades of debate there is now some convergence in economics about the roles of the market and the state. To leave everything to the free market can lead to major economic malfunction and elevated levels of poverty. Moreover, there is a logical mistake that underlies the market fundamentalist philosophy. To argue that individuals and private businesses should have all the freedom to pursue what they wish and that government should not intervene overlooks the fact that government is nothing but the outcome of individual actions. Hence the importance of a strong proactive regulatory mechanism is imperative which keeps a watch on the system and ensures that the rules of the game are followed and defaulters are disqualified and penalised.

The much talked about world bank report titled, “Doing Business 2015- going beyond Efficiency”, compares business regulations for domestic firms in 189 countries.

What Doing Business continues to cover and what it is adding:-

- Procedures, time, cost and paid-in minimum capital to start a business

- Procedures, time and cost to complete all formalities to build a warehouse
- Procedures, time and cost to get connected to the electrical grid
- Procedures, time and cost to transfer a property
- Movable collateral laws and credit information systems
- Minority shareholders' rights in related-party transactions
- Payments, time and total tax rate for a firm to comply with all tax regulations
- Documents, time and cost to export and import by seaport
- Procedures, time and cost to resolve a commercial dispute
- Time, cost, outcome and recovery rate for a commercial insolvency
- More features on the strength of legal rights and depth of credit information
- More features on minority shareholders' rights
- A measure of the strength of the legal framework for insolvency
- An additional city in the 11 economies with a population of more than 100 million
- Ease of doing business ranking based on the distance to frontier score
- Measures of the quality of building regulations
- Measures of the reliability of the electricity supply
- Measures of the quality of the land administration system
- Measures of the post filing process in paying taxes
- Measures of the quality of the judicial administration system

India has been ranked 130 out of 189 countries, moving 12 places from the last year.

Kaushik Basu, Senior Vice President and Chief economist, The world bank has written the "Foreword" for the report, stating how to use Doing Business. Mr Basu has described the world business report in the following words:-

"The public discourse on economic policy is overwhelmingly focused on fiscal measures, monetary interventions, welfare programs and other such highly visible instruments of government action. Thus when an economy does poorly, a disproportionate amount of our debate centers on whether or not it needs a fiscal stimulus, whether there should be liquidity easing or tightening, whether its welfare programs have been too profligate or too paltry and so on. What gets much less attention but is equally—and, in some situations, even more—important for an economy's success or failure is the nuts and bolts that hold the economy together and the plumbing that underlies the economy. The laws that determine how easily a business can be started and closed, the efficiency with which contracts are

enforced, the rules of administration pertaining to a variety of activities— such as getting permits for electricity and doing the paperwork for exports and imports—are all examples of the nuts and bolts that are rarely visible and in the limelight but play a critical role. Their malfunctioning can thwart an economy's progress and render the more visible policy instruments, such as good fiscal and monetary policies, less effective. Just as the Space Shuttle Challenger broke apart on takeoff from Cape Canaveral, Florida, on January 28, 1986, not because (as was later realized) something major had gone wrong but because a joint held together by a circular nut called the O-ring had failed, an economy can be brought down or held back by the failure of its nuts and bolts. The World Bank Group's Doing Business report is an annual statement of the state of the nuts and bolts of economies around the world and, as such, is one of the most important compendiums of information and analysis of the basis of an economy's effective day-to-day functioning and development.

.....It is true that government should intervene in the market to help the disadvantaged, to keep inequality within bounds, to provide public goods and to create correctives for market failures such as those stemming from externalities, information asymmetries and systemic human irrationalities. But over and above these, government also has the critical responsibility to provide a nimble regulatory setup that enables ordinary people to put their skills and talents to the best possible use and facilitates the smooth and efficient functioning of businesses and markets. It is this critical role of providing an enabling and facilitating ethos for individual talent and enterprise to flourish—which includes an awareness of where not to intervene and interfere—that the Doing Business report tries to measure.

On Strengths and weakness of the report

....It is worth being clear that there is no such thing as the best, all-encompassing indicator. As a consequence, responsibility rests as much with the users of the ease of doing business ranking as with its producers to make sure that it is a valuable instrument of policy. Controversy has often arisen from reading more into the ranking or indicator than what it actually captures. It has been pointed out, critically, that there are economies that do poorly on the Doing Business indicators but that nevertheless get a lot of foreign direct investment (FDI) from global corporations. These examples are usually nothing more than a reminder that an economy has many more aspects than the features that are tracked and measured by the Doing Business report. The flow of FDI into an economy is facilitated by having a better doing business ethos, true, but FDI flows can be thwarted by other policy weaknesses; and, conversely, an economy with poor performance on the Doing Business indicators may make up for it in other ways so as to attract large FDI inflows. The fact that there are examples of economies that do not do well on the Doing Business indicators but continue to receive flows of FDI shows that private corporations do not make this mistake; they will decide on the basis of a range of factors.

Another common criticism is implicit in the question, If economy x is growing fast, why does it not rank high on the ease of doing business? First, if the ease of doing business ranking were constructed in such a way that it had a very high correlation with GDP or GDP growth, there would be little reason to have a new ranking. We would be able to get our

result from looking at GDP or GDP growth tables. Second, this question is often rooted in the common mistake, already noted, of treating the ease of doing business ranking as an all-encompassing measure of an economy's goodness. It is not. An economy can do poorly on Doing Business indicators but do well in macroeconomic policy or social welfare interventions. In the end, Doing Business measures a slender segment of the complex organism that any modern economy is. It attempts to capture a segment that is representative of other general features of the economy (and effort will be made to improve on this), but the fact remains that an economy can undo the goodness or badness of its performance on Doing Business indicators through other policies.

Moreover, economic efficiency is not the only measure by which we evaluate an economy's performance. Most of us value greater equality among people; the ease of doing business ranking is not meant to measure success on that scale. We value better health, better education, literature and culture; the ease of doing business ranking is not meant to capture these either. It is a mistake to treat this as a criticism of the ease of doing business ranking; it is simply a reminder that life is a many-splendored thing, and the Doing Business report tries to capture one aspect of the good life. The need is to resurrect that once-popular expression, "ceteris paribus." Other things remaining the same, an economy should try to improve its score underlying the ease of doing business ranking.

In putting the ease of doing business ranking to use in crafting policy, it is important to keep in mind these caveats, strengths and weaknesses. Ultimately, the Doing Business indicators are meant to simply hold up a mirror to economies. A poor score should alert a government that it ought to examine its regulatory structure. On the basis of this it may decide to change some regulatory features and policies in ways that may not even directly affect its ease of doing business ranking but nevertheless improve the economy's performance. If this happens, and there is some evidence that it does, the Doing Business report would be serving its purpose. There are governments that attract a lot of talent into their bureaucracy but nevertheless do not have an efficient administration because the bureaucrats get trapped in their arcane rules of engagement. This is a report that can be of great value to such governments. And it is gratifying that a large number of governments have put it precisely to such use.

Promoting a well-functioning, competitive private sector is a major undertaking for any government, especially for one with limited resources and technical capabilities. It requires long-term comprehensive policies targeting macroeconomic stability; investment in infrastructure, education and health; and the building of technological and entrepreneurial capacity. A well-functioning political system—one in which the government is perceived to be working in the public interest while managing scarce resources in a reasonably transparent way—plays a central role. Removing administrative barriers and strengthening laws that promote entrepreneurship and creativity—both of which are within the power of governments to do—can set an economy on the path to greater prosperity and development. There is compelling evidence that excessively burdensome regulations can lead to large informal and less-productive sectors, less entrepreneurship and lower rates of employment and growth.

Conclusion

The economy is a complex machine, beyond the full comprehension of any person. Over the years meticulous research, collection of increasingly sophisticated data and the advance of economic theory and innovative modeling have given us a better understanding of this machine. Nevertheless, one has to approach economic policy making with a certain humility, keeping an eye on the fact that what we, all this time, took to be an established feature of economics may be open to question. In brief, the discipline is evolving and we must be willing participants in the process. The World Bank Group's Doing Business initiative is no exception to this. It tries to track and measure one of the most important features of an economy—the ease with which it is possible to do business, trade and exchange. It provides governments, administrators and researchers with valuable data and analysis to promote a better regulatory framework for development, job creation and growth.....”

Ranking of India under various parameters (as per Doing Business Report 2015)

<i>Parameter</i>	<i>Rank</i>
Starting a business	158
Dealing with construction permit	184
Getting electricity	137
Registering property	121
Getting credit	36
Protecting minority investors	7
Paying taxes	156
Trading across borders	126
Enforcing contracts	186
Resolving insolvency	137

Assessment of State Implementation of Business Reforms (September 2015)

A wide range of forecasts indicate that, by 2020, India will be home to 1.35 billion people, of whom 906 million will be of working age. These 906 million will need jobs to sustain India's growth, and these jobs can only be provided by the sustained growth of the manufacturing and service sectors in India.

The challenge ahead, therefore, is to create the jobs to employ India's rapidly growing youth base, and the only means of doing so is to catalyze increased private investment in India. Today's investment equals tomorrow's jobs, and so the Government of India has embarked on the ambitious Make in India initiative to create jobs.

But attracting investment means that the environment for investment must be made friendly. According to the World Bank's Enterprise Survey, businesses in India rank corruption as the number one constraint to growth, ahead of factors like electricity, access to finance

and access to land. Corruption arises due to lack of a transparent and effective regulatory framework; this is highlighted in a wide range of global analytics. India ranks 142 out of 189 economies in the World Bank's Doing Business 2015 report, the second worst performing economy in South Asia. The World Economic Forum's Global Competitiveness Report ranks India as 71 out of 144 economies. India is ranked at 93rd on irregular payments and bribes, 59th on burden of government regulation, and 57th on the efficiency of the legal framework in settling disputes.

Therefore, improving India's regulatory framework for business is a key prerequisite for increasing investment in India and thereby creating jobs. The Government of India has already embarked on an ambitious agenda to improve India's Doing Business rank to 50 by 2017

It is with this objective that, in December 2014, States agreed to a 98-point action plan to suggest potential reforms that should be undertaken to improve the regulatory framework for business nationwide.

It is expected that this assessment report will allow States to learn from one another and replicate success stories, thereby rapidly improving the regulatory environment for business nationwide. In addition, learning may not be limited to learning from other States but rather, once States have decided what more they want to do, they may learn from other countries as well.

The methodology for this assessment, assesses implementation status of reform measures across the following eight areas:

<i>Sl. No</i>	<i>Area</i>
1.	Setting up a business
2.	Allotment of land and obtaining construction permit
3.	Complying with environment procedures
4.	Complying with labour regulations
5.	Obtaining infrastructure related utilities
6.	Registering and complying with tax procedures
7.	Carrying out inspections
8.	Enforcing contracts

Ease of Doing Business the Overall State Rankings

The assessment reveals that States are at very different levels of implementation of the 98-point action plan. The implementation status of each State has been converted to a

percentage, and, on the basis of this total percentage, the State rankings are shown in the table below.

Rank	State	Score	Rank	State	Score
1	Gujarat	71.14%	17	Himachal Pradesh	23.95%
2	Andhra Pradesh	70.12%	18	Kerala	22.87%
3	Jharkhand	63.09%	19	Goa	21.74%
4	Chhattisgarh	62.45%	20	Puducherry	17.72%
5	Madhya Pradesh	62.00%	21	Bihar	16.41%
6	Rajasthan	61.04%	22	Assam	14.84%
7	Odisha	52.12%	23	Uttarakhand	13.36%
8	Maharashtra	49.43%	24	Chandigarh	10.04%
9	Karnataka	48.50%	25	Andaman and Nicobar Islands	9.73%
10	Uttar Pradesh	47.37%	26	Tripura	9.29%
11	West Bengal	46.90%	27	Sikkim	7.23%
12	Tamil Nadu	44.58%	28	Mizoram	6.37%
13	Telangana	42.45%	29	Jammu and Kashmir	5.93%
14	Haryana	40.66%	30	Meghalaya	4.38%
15	Delhi	37.35%	31	Nagaland	3.41%
16	Punjab	36.73%	32	Arunachal Pradesh	1.23%

Source : Assessment of State Implementation of Business Reforms | September 2015, <https://www.kpmg.com/IN/en/IssuesAndInsights/ArticlesPublications/Documents/State-Assessment-Report.pdf>

Major Initiatives on Improving 'Ease of Doing Business' in India

The Government of India has taken up a series of measures to improve Ease of Doing Business. The emphasis has been on simplification and rationalization of the existing rules and introduction of information technology to make governance more efficient and effective. The measures taken are:

1. Process of applying for Industrial License (IL) and Industrial Entrepreneur Memorandum (IEM) has been made online and this service is now available to entrepreneurs on 24x7 bases at the eBiz website. This had led to ease of filing applications and online payment of service charges. Following 14 services are integrated with eBiz portal which will function as a single window portal for obtaining

clearances from various governments and government agencies:

- a. Industrial Licence (DIPP)
 - b. Industrial Entrepreneurs Memorandum (DIPP)
 - c. Employer Registration with ESIC
 - d. Employer Registration with EPFO
 - e. Company name availability (MCA)
 - f. Allotment of Directors' Identification Number (DIN)
 - g. Certificate of Company's Incorporation (MCA)
 - h. Declaration of Commencement of Business (MCA)
 - i. RBI's Foreign Collaboration-General Permission Route
 - j. Advance Foreign Remittance (RBI)
 - k. Permanent Account Number (PAN)
 - l. Tax deduction Account Number (TAN)
 - m. Issue of Explosive licence (PESO)
 - n. Importer exporter code (IEC-DGFT)
2. Notification has been issued on 12-03-2015 by DGFT to limit number of documents required for export and import to three.
 3. Ministry of Corporate Affairs has introduced an integrated process for incorporation of a company, wherein applicants can apply for Director's Identification Number (DIN) and company name availability simultaneous to incorporation application [Form INC-29].
 4. The Companies (Amendment) Act, 2015 has been passed to remove requirements of minimum paid-up capital and common seal for companies. It also simplifies a number of other regulatory requirements.
 5. A comparative study of practices followed by the States for grant of clearance and ensuring compliances was conducted through M/s Accenture Services (P) Ltd. and six best practices were identified. These were circulated among all the states for peer evaluation and adoption. The study has also identified important bottlenecks faced by industries and important steps required to improve the business environment in States.
 6. Application forms for Industrial Licence (IL) and Industrial Entrepreneur Memorandum (IEL) have been simplified.
 7. Vide Press Note 3 (2014), Defence products' list for industrial licensing has been issued, wherein large number of parts/components, castings/forgings etc. have been excluded from the purview of industrial licensing. Similarly dual use items, having military as well as civilian applications (unless classified as defence item) will also not
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require Industrial License from defence angle. For these items only an Industrial Entrepreneur Memorandum (IEM) has to be filed.

8. Vide Press Note 5 (2014), initial validity period of Industrial License has been increased to three years from two years. This will give enough time to licensees to procure land and obtain the necessary clearances/approvals from authorities.
9. Ministry of Home Affairs has stipulated that it will grant security clearance on Industrial Licence Applications within 12 weeks. In matters other than Explosives and FIPB cases, security clearances are valid for three years unless there is a change in composition of management or shareholding.
10. Partial commencement of production is being treated as commencement of production of all the items included in the license. This has obviated the hardship of licensees to get their Industrial License extended even though they have started production.
11. To facilitate investors and to reply to their queries, Frequently Asked Questions (FAQs) by applicants for grant of industrial license have been developed and uploaded on DIPP website.
12. Vide Press Note 4 2014), the NIC Code NIC 2008 has been adopted, which is the advanced version of industrial classification. This code will allow Indian businesses to be part of globally recognized and accepted classification that facilitate smooth approvals/registration.
13. Vide Press Note 6 (2014), the 'Security Manual for Licensed Defence Industry' has been issued. This has obviated the requirement of affidavit from applicants. Earlier, an affidavit signed before Judicial Magistrate was required from the applicant to confirm that they will comply with the safety & security guidelines/procedures laid down by the Ministry of Defence and Ministry of Home Affairs in Government of India. The applicants were facing difficulties in obtaining such affidavit and this was severely delaying the issue of License even after approval of Licensing Committee.
14. A checklist with specific time-lines has been developed for processing all applications filed by foreign investors in cases relating to Retail/NRI/EoU foreign investments. This has been placed on the DIPP website.
15. An Investor Facilitation Cell has been created in 'Invest India' to guide, assist and handhold investors during the entire life-cycle of the business.
16. SEZ Units allowed removing goods for repair, replacement, testing, calibration, quality testing and research and development on self-attestation.
17. Process of applying for Environment and Forests clearances has been made online through Ministry of Environment and Forests' portals [http:// environmentclearance.nic.in/](http://environmentclearance.nic.in/) and <http://forestsclearance.nic.in/> .
18. The process of registration with Employees Provident Fund Organization (EPFO) and Employees State Insurance Corporation (ESIC) have been automated and ESIC registration number is being provided on a real-time basis.

19. An order facilitating revival and rehabilitation of MSMEs through banker's committee has been issued by Ministry of MSME.
20. A unified portal for registration of Units, reporting of inspection, submission of returns and grievance redressal has been launched by Ministry of Labour and Employment.
21. DIPP has requested all Secretaries of Government of India and Chief Secretaries of the States/UT to simplify and rationalize the regulatory environment. In order to improve the regulatory business environment they have been requested to take the following measures on priority:
 - a. All returns should be filed on-line through a unified form;
 - b. A check-list of required compliances should be placed on Department's web portal;
 - c. All registers required to be maintained by the business should be replaced with a single electronic register;
 - d. No inspection should be undertaken without the approval of the Head of the Department; and
 - e. For all non-risk, non-hazardous businesses a system of self-certification should be introduced.
23. Registration process of VAT and Professional tax has been merged into a single process with single ID on 1st January, 2015 by the Government of Maharashtra.
24. Registration for VAT in Delhi has been made online. TIN allotment is done real-time and business can start immediately on receipt of TIN number.
25. The time required for giving a new electric connection in Mumbai has been reduced to 21 days from 67 days. The number of procedures involved has been cut down to 3 from existing 7.
26. Simplified procedure for new electric connection in Delhi with reduced procedures and time.
27. Municipal Corporation of Delhi has launched online application process for grant of construction permits for residential and industrial buildings on 16th March, 2015 and commercial buildings in May, 2015.

INDUSTRY PERSPECTIVE

Concerned with India's rankings in World Bank's 'Doing Business' report; a survey-based report on the prevailing business regulatory environment in the country was undertaken by CII with the support of KPMG in India, focussed on a few key parameters of 'Doing Business' such as starting a business, land acquisition, taxation and contract enforcement. The objective was to underscore the areas of business regulation that need attention; highlight a few effective and efficient processes already prevalent in some states that could be emulated by others; and advocate for adoption of more efficient and effective practices. The report identifies key areas for reform and also highlights areas of business regulation where some states have converged towards efficient systems. These are as under:

<i>Parameter</i>	<i>Issues</i>	<i>Recommendations</i>
Land acquisition	<ul style="list-style-type: none"> — Average time taken to acquire the land is 14 months and often could take longer. — 58 percent of the respondents feel the number of visits made to each department to obtain permission pose major obstacles in the approval process. — 69 percent of the respondents feel that there is a lack of effective land acquisition process. — 83 percent respondent feel that unsecured land titles generate uncertainty. — Land mutation process is considered complex and time consuming. 	<ul style="list-style-type: none"> — Setup large designated industrial zones with pre-clearance and is ready to move in. — Single window registration and mutation process. — Move from deed based registration to title based registration (Torrens system). — Streamlined process for land use conversion.
Starting a business	<ul style="list-style-type: none"> — Approval related to environment clearances, land procurement, construction permits, industrial safety permits and power connection are top five obstacles in starting a business. — 85 percent respondent feel that the time required to obtain such clearance is not reasonable. — 78 percent respondent feel the number of windows/ ministries one has to visit is not reasonable. 	<ul style="list-style-type: none"> — Reduce approval turnaround by making the ebiz portal more effective. — Wider and effective adaptation of deemed approval principle — Automatic approval from power, water and sewerage. — Moving away from department centric approach to business centric approach. — Labour reforms. — Continuous skill development. — Access of funds to MSME.
Taxation	<ul style="list-style-type: none"> — 90 percent respondent are in favour of reduction of tax rates. — 92 percent respondent feel that there are challenges in transfer pricing assessment 	<ul style="list-style-type: none"> — Implement goods and service tax. — Reduce the number of taxes and ambiguity/ discretionary nature of taxes, especially in transfer pricing cases.

<i>Parameter</i>	<i>Issues</i>	<i>Recommendations</i>
	<ul style="list-style-type: none"> relating to distribution/agency. — 90 percent of the respondent believe that the tax authorities are not proactive in promoting investments. — 60 percent of the respondents feel that the neutralisation of tax decision by the Supreme Court through retrospective amendment has had a damaging effect on investment sentiment. — More than half of the respondent have faced delay in obtaining service tax refund. 	<ul style="list-style-type: none"> — Efficient, effective and time-bound taxation related dispute resolution. — Ensure taxation does not hinder free flow of goods. — Implement independent grievance redressal cell. — Operational reform required to get the tax base right. — Administration reform required for consistency and increased efficiency in approach of taxation .
Contract enforcement	<ul style="list-style-type: none"> — Time taken from filing to final judgment seems unreasonable to most of the respondents and possess major obstacles. — Cost involved also poses significant obstacles. — 84 percent respondent have indicated that a review of laws and regulation needs to be taken up urgently. 	<ul style="list-style-type: none"> — Create a centralised contract repository with non-repudiation. — Effective implementation of e-courts. — Increase number of courts and tribunals. — More international treaties for increasing “reciprocative territories” — Update antiquated laws. — Recognise and update laws keeping in mind the trends of higher technology updation, greater trade based on IPR and greater global trade.

Action taken/planned by Central Government

The **DEPARTMENT OF INDUSTRIAL POLICY AND PROMOTION** Ministry of Commerce and Industry, Government of India has prepared Business Reform Action Plan 2016 for States/UTs. The 15 page document, lists 340 items under 10 areas.

CONCLUSION

Human being has always strived to make their lives better and easier. The ease of doing

business may have gained special attention now, specifically bringing under the scanner the mode of interaction and relation between government and business. However the business and ease of doing it cannot be limited to few parameters or just few specific areas. Digital India initiative will also have substantial impact in many direct and indirect way in the ease of doing business. Skill Development mission would ensure trained workforce for business. The Startup eco-system under development would lead to more and more disruptive innovations and would in turn ease the lives of all, including businesses. The cut throat competition is bound to drive out inefficient firms or the businesses which do not change with times.

In this dynamic environment, the professional have to constantly upgrade their knowledge and develop niches to ensure that there relevance is not lost. The professional of this generation cannot just depend on statutory backing, but needs to constantly prove his mettle.

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